

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA**

**CASE NO.: 16-cv-21301-GAYLES**

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

ARIEL QUIROS,  
WILLIAM STENGER,  
JAY PEAK, INC.,  
Q RESORTS, INC.,  
JAY PEAK HOTEL SUITES L.P.,  
JAY PEAK HOTEL SUITES PHASE II. L.P.,  
JAY PEAK MANAGEMENT, INC.,  
JAY PEAK PENTHOUSE SUITES, L.P.,  
JAY PEAK GP SERVICES, INC.,  
JAY PEAK GOLF AND MOUNTAIN SUITES L.P.,  
JAY PEAK GP SERVICES GOLF, INC.,  
JAY PEAK LODGE AND TOWNHOUSES L.P.,  
JAY PEAK GP SERVICES LODGE, INC.,  
JAY PEAK HOTEL SUITES STATESIDE L.P.,  
JAY PEAK GP SERVICES STATESIDE, INC.,  
JAY PEAK BIOMEDICAL RESEARCH PARK L.P.,  
AnC BIO VERMONT GP SERVICES, LLC,

Defendants,

JAY CONSTRUCTION MANAGEMENT, INC.,  
GSI OF DADE COUNTY, INC.,  
NORTH EAST CONTRACT SERVICES, INC.,  
Q BURKE MOUNTAIN RESORT, LLC,

Relief Defendants, and

Q BURKE MOUNTAIN RESORT, HOTEL AND  
CONFERENCE CENTER, L.P.,  
Q BURKE MOUNTAIN RESORT GP SERVICES, LLC

Additional Defendants

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**MOTION FOR (I) APPROVAL OF SETTLEMENT BETWEEN RECEIVER, CASON PLAINTIFFS, EDWARD J. CARROLL, ESQ. (AND HIS LAW FIRMS), AND MARK H. SCRIBNER, ESQ. (AND HIS LAW FIRM); (II) APPROVAL OF FORM, CONTENT AND MANNER OF NOTICE OF SETTLEMENT AND BAR ORDER; (III) ENTRY OF BAR ORDER; AND (IV) SCHEDULING A HEARING; WITH INCORPORATED MEMORANDUM OF LAW**

Michael I. Goldberg, as the court-appointed receiver (the “Receiver”) for Jay Peak, Inc., Q Resorts, Inc., Jay Peak Hotel Suites L.P., Jay Peak Hotel Suites Phase II L.P., Jay Peak Management, Inc., Jay Peak Penthouse Suites L.P., Jay Peak GP Services, Inc., Jay Peak Golf and Mountain Suites L.P., Jay Peak GP Services Golf, Inc., Jay Peak Lodge and Townhouses L.P., Jay Peak GP Services Lodge, Inc., Jay Peak Hotel Suites Stateside L.P., Jay Peak GP Services Stateside, Inc., Jay Peak Biomedical Research Park L.P., AnC Bio Vermont GP Services, LLC, AnC Bio VT, LLC, Q Burke Mountain Resort, Hotel and Conference Center, L.P., Q Burke Mountain Resort GP Services, LLC, Jay Construction Management, Inc., GSI of Dade County, Inc., North East Contract Services, Inc., and Q Burke Mountain Resort, LLC (collectively, the “Receivership Entities”), in the above-captioned civil enforcement action (the “SEC Action”), files this *Motion for (i) Approval of Settlement between Receiver, Cason Plaintiffs, Edward J. Carroll, Esq. (and His Law Firms), and Mark H. Scribner, Esq. (and His Law Firm); (ii) Approval of Form, Content, and Manner of Notice of Settlement and Bar Order; (iii) Entry of Bar Order; and (iv) Scheduling a Hearing; with Incorporated Memorandum of Law* (the “Motion”).

**I.**

**Introduction**

On February 8, 2018, a group of Jay Peak investors filed suit in the United States District Court for the District of Vermont against Edward J. Carroll, Esq., (“Carroll”) and Mark H. Scribner, Esq. (“Scribner”) captioned *Cason, et al. v. Edward Carroll, Esq. and Mark Scribner, Esq.*, Case No. 2:18-cv-40 (the “Cason Action”). On August 8, 2019, a slightly different group of Jay Peak investors (named below, and hereinafter referred to as the “Cason Plaintiffs”) filed an

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amended complaint in the Cason Action. The parties to the Cason Action engaged in meaningful discovery, including the exchange and review of large quantities of documents and depositions of numerous key individuals. In early 2020, the Cason Plaintiffs asked the Receiver to get involved to help facilitate a settlement of the Cason Action.

The Receiver is pleased to report that, after several months of negotiations, including a full day of mediation with Professor Eric Green, who is considered one of the pioneers of Alternative Dispute Resolution, the Parties (as defined below) have settled for Eight Million Dollars (\$8,000,000.00) (the "Settlement Amount"): (i) the Cason Action; (ii) the Receiver's potential claims against Carroll, Carroll & Scribner, P.C., ("C&S"), Carroll & Associates, P.C. ("C&A"), Scribner, and Primmer Piper Eggleston & Cramer, P.C. ("PPEC") and, together with Carroll, C&S, C&A, and Scribner, the "Attorneys"; and (iii) the Attorneys' potential claims against the Receiver. As used in this Motion, the "Parties" means the Attorneys, the Receiver, and the Cason Plaintiffs. As set forth below, the settlement provides outstanding recoveries for the Cason Plaintiffs, and after payment of such amounts and attorneys' fees to their counsel, still results in a recovery for the Receivership Entities of \$5.2 million.

In exchange for the Settlement Amount the Cason Plaintiffs have agreed to: (i) stay the Cason Action while this Motion is pending; (ii) provide the Attorneys with releases; and (iii) dismiss their claims against Carroll and Scribner in the Cason Action with prejudice. The Receiver has agreed: (i) to distribute the net settlement proceeds in accordance with the Settlement Agreement (as defined below) and future orders of the Court; (ii) to provide the Attorneys with a release; and (iii) to obtain entry of a bar order enjoining claims relating to Jay Peak and/or the SEC Action (as described more fully below). The bar order, of course, would not apply to any actions

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brought by federal or state governmental bodies or agencies. Importantly, as set forth below, the settlement is expressly contingent on the entry of the bar order.

The precise terms of the settlement are more fully set forth in the settlement agreement attached to this Motion as Exhibit “1” (the “Settlement Agreement”). Defined terms used but not defined in this Motion have the meaning ascribed to them in the Settlement Agreement.

As was the case with the Receiver’s prior settlements (with parties such as Citibank, Raymond James, Ariel Quiros, and Ironshore), the Receiver requests, by way of this Motion, that the Court approve the settlement and bar order by means of a two-step process.<sup>1</sup>

*First*, the Receiver requests that the Court enter an order substantially in form and substance as Exhibit A to the Settlement Agreement (the “Preliminary Approval Order”). The Preliminary Approval Order preliminarily approves the settlement and establishes approval procedures – including for providing notice to parties potentially affected by the settlement, along with an opportunity to object and participate in the final approval hearing. The Receiver believes that the Preliminary Approval Order can be entered without a hearing on the basis of the substantial matters of law and fact set forth in this Motion, as was the case with the Receiver’s previous settlements.

*Second*, the Receiver requests that, after the procedures delineated in the Preliminary Approval Order have been met, the Court enter an order substantially in the form and substance as Exhibit B to the Settlement Agreement, which shall serve as the Court’s final order approving the Settlement Agreement and barring all non-governmental claims against the Attorney Released Parties, as further described below (the “Bar Order”).

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<sup>1</sup> The two-step procedure is the same procedure the Court utilized in approving the Receiver’s previous settlements and bar orders.

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As is set forth clearly and unambiguously in the Settlement Agreement, the settlement here is not at all like the settlement that was reached with Ironshore that was recently the subject of an appeal before the 11<sup>th</sup> Circuit. *See SEC v. Quiros*, 966 F.3d 1195 (11th Cir. 2020). This settlement is ***expressly conditioned*** on the Attorneys receiving the Bar Order in substantially the same form as the proposed bar order attached to the Settlement Agreement:

[I]n the event the Bar Order is not issued, or the Bar Order is issued and is subsequently vacated, reversed on appeal, or modified in any manner such that it no longer bars the commencement or continuation of any and all civil actions against the Attorney Released Parties as more fully described in the Bar Order attached hereto as Exhibit B, then: this Agreement shall be null, void, and of no further effect (except for the Sections of this Agreement that survive the termination of this Agreement identified in Section 11(i)); the Parties shall not be not bound by the releases set forth in Section 5 of this Agreement; the Parties shall proceed to litigate their claims as if this Agreement had not been executed; and the Receiver shall return the Settlement Amount (other than the non-refundable portion thereof described in Section 3(b)(i) below).

Settlement Agreement ¶ 2.

**II.**

**Background**

**A. Commencement of the SEC Action and Appointment of the Receiver**

The Court has appointed the Receiver to exercise dominion and control over and act as sole legal representative for and on behalf of the Receivership Entities in the SEC Action. Specifically, the Receiver derives his authority from the Court’s Order Granting Motion for Appointment of Receiver [ECF No. 13] (the “Receivership Order”), entered at the request of the Securities and Exchange Commission (the “SEC”). [ECF No. 7]. The Receiver’s authority includes the authority to administer “rights of action” and to compromise or settle claims of the Receivership Entities against third parties. *See* Receivership Order ¶¶ 1 & 6.

The complaint in the SEC Action alleges, *inter alia*, that defendants Ariel Quiros (“Quiros”) and William Stenger (“Stenger”), in violation of federal securities laws, controlled and utilized the various Receivership Entities in furtherance of a fraud on foreign investors who

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invested in certain limited partnerships under the federally-created EB-5 visa program (the “Investors”) and sought various forms of relief including appointment of the Receiver. The first six limited partnerships (defined as Suites Phase I, Hotel Phase II, Penthouse Phase III, Golf and Mountain Phase IV, Lodge and Townhouses Phase V, and Stateside Phase VI) were used to develop and expand the Jay Peak resort located in the Village of Jay, Vermont (the “Jay Peak Resort”). The seventh limited partnership (defined as Biomedical Phase VII) raised funds to purchase land and develop a biomedical research facility in Newport, Vermont (“AnC Bio”). The eighth limited partnership (defined as Q Burke Phase VIII) was used to develop and expand the Burke Mountain hotel and ski area located in East Burke, Vermont (the “Burke Mountain Hotel”).

**B. The Cason Plaintiffs’ Contentions**

Until early 2013, C&S served as counsel for some of the Investors and certain Receivership Entities. As stated above, on February 8, 2018, a group of Jay Peak investors and former clients of C&S filed suit against the former principals of C&S: Carroll and Scribner. Carroll and Scribner each had since joined other law firms (C&A and PPEC, respectively) years before the Cason Action was filed. On August 8, 2019, a slightly different group of Jay Peak investors and former clients of C&S filed an amended complaint in the Cason Action. The twenty-five investors serving as plaintiffs in the August 8, 2019 amended complaint in the Cason Action are: Sandra Cason, as Executrix of the Estate of Armando Cason, Sandra Chau, Robert Connors, Fernando De Salvidea, Carlos Duarte, John Duthoit, Charmaine Enslin, Natalie Faldo, William Handley, Clarissa Hobden, Daniel Khabbazi, Roman Klaban, Roland Lanctot, David Malcher, Angela Mann, Christopher Mercer, Lakshman Paidi, Eshaghi Parviz, Chandrasekhar Pemmasani, Gareth Perry, Peter Poulsen, Maurice Price, Jorge Salas, Antony Sutton, and Caroline Waters (collectively, the “Cason Plaintiffs”).

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The Cason Plaintiffs contended that Carroll and Scribner's conduct fell below the standard of care in connection with their representation of the Cason Plaintiffs. The Cason Plaintiffs brought claims for legal malpractice, breach of fiduciary duty, breach of contract, and breach of good faith and fair dealing. The Cason Plaintiffs claimed that Carroll and Scribner withheld information, were misleading with regard to information that was disclosed, and were impermissibly conflicted given the simultaneous representation of some of the Investors and certain Receivership Entities. The Cason Plaintiffs sought a variety of damages, including disgorgement of the attorneys' fees paid to C&S. Carroll and Scribner disputed the factual and legal bases of the claims and mounted a vigorous defense. The Cason Plaintiffs, Carroll, and Scribner engaged in a formal mediation in April 2019 and did not settle the case.

The Receiver was not involved in the Cason Action. He did not move to intervene in the case. He did not monitor the case. He did not attend any court hearings, depositions, or the unsuccessful April 2019 mediation.

**C. The Receiver's Contentions**

The Receiver has diligently investigated all claims he believes he could have brought against the Attorneys, including potential claims arising from or related to legal services provided to the Receivership Entities by the Attorneys. The Receiver's investigation revealed that the Receiver's potential claims against the Attorneys involve disputed facts that would require substantial time and expense to litigate, with significant uncertainty as to the outcome of such litigation and any ensuing appeal. The Attorneys dispute the factual and legal bases of any such claims, and have indicated their intention to defend any such claims vigorously.

**D. The Attorneys' Contentions**

The Attorneys provided legal services to certain of the Receivership Entities before the SEC Action was filed. Following his appointment, the Receiver engaged some of the Attorneys

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to provide additional legal services to certain of the Receivership Entities. Over \$50,000.00 billed to the Receivership Entities by the Attorneys – including amounts billed for services requested by the Receiver – remains unpaid.

Additionally, certain of the Receivership Entities may have pre-receivership contractual obligations to indemnify the Attorneys for attorneys’ fees and costs incurred in connection with Cason Action and other issues related to the Receivership Entities. To date, these attorneys’ fees and costs exceed \$1,400,000.00. The Receiver disputes the factual and legal bases of any pre-receivership contractual indemnification obligations to the Attorneys.

**E. General Terms and Conditions of the Settlement**

The Attorneys have two policies of insurance that was or could be available to cover claims prosecuted or commenced against the Attorneys with respect to the events and occurrences: underlying the claims in the Cason Action, the SEC Action, any of the other EB-5 Actions;<sup>2</sup> relating in any way to any of the Receivership Entities; or which arise directly or indirectly from the Attorneys’ activities, omissions, services, or counsel in connection with the Receivership Entities, Jay Peak Resort, AnC Bio, or the Burke Mountain Hotel (the “Attorney Activities”). The policies are “wasting” policies in the amount of Ten Million Dollars (\$10,000,000.00) and Two Million Dollars (\$2,000,000.00),<sup>3</sup> a significant portion of which have been used in connection with

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<sup>2</sup> As used in this Motion, the “EB-5 Actions” means: the SEC Action; the Cason Action; *Qureshi v. People’s United Bank*, Case No. 2:18-CV-00163-CR (D. Vt.); *Sutton v. Vermont Regional Center*, Case No. 100-5-17 Lecv (Vt. Sup. Ct.); *Wang v. Shen*, Case No. 2:17-CV-00153 (D. Vt.); *Goldberg v. Kelly*, Case No. 0:17-CV-62157 (S.D. Fla.); *Goldberg v. Mitchell Silberberg & Knupp, LLP*, Case No. 1:19-CV-21862 (S.D. Fla.); *Goldberg v. McAleenan*, Case No. 1:19-CV-24753 (S.D. Fla.); *Goldberg v. McAleenan*, Case No. 1:19-CV-24746 (S.D. Fla.); *Goldberg v. Saint-Sauveur Valley Resorts, Inc.*, Case No. 2:17-CV-00061 (D. Vt.); *Quiros v. Ironshore Indemnity, Inc.*, Case No. 1:16-CV-25073 (S.D. Fla.); and *Raymond James Financial, Inc. v. Federal Insurance Company*, Case No. 1:20-CV-21707 (S.D. Fla.).

<sup>3</sup> “A ‘wasting’ insurance policy has coverage limits that are reduced as defense costs are incurred.” *Zacarias v. Stanford Int’l Bank, Ltd.*, 945 F.3d 883, 901 n.66 (5th Cir. 2019).



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the defense of the Cason Action, document requests by the Receiver and Investors, and settlement negotiations with the Receiver and the Cason Plaintiffs.

To avoid the continued expense, delay, and uncertainty associated with the Cason Action, the Cason Plaintiffs, Carroll and Scribner renewed settlement discussions in late 2019. The Receiver was asked to join the settlement discussions in early 2020 to help facilitate a settlement with the specific intent of obtaining a final approval in this Court and entry of the Bar Order. The Parties engaged in several months' of negotiations. In July 2020, several of the Parties attended a full-day mediation and agreed to a settlement in principle without admission of any liability or concession of potential defenses.

Although the Receiver never brought claims against the Attorneys, the Parties nevertheless allocated \$550,000 of the Settlement Amount to the Receiver's potential claims against the Attorneys. In consideration of the releases, the Bar Order, and the Receiver's indemnification obligations provided in the Settlement Agreement, and to avoid the expense and delay of litigation, the Attorneys and the Receiver agreed to settle the Attorneys' potential claims against the Receiver.

The settlement was finally reached and memorialized in the Settlement Agreement. The principal terms of the Settlement Agreement are as follows:<sup>4</sup>

- (i) The Attorneys pay \$8,000,000.00: \$400,000.00 after issuance of the Preliminary Approval Order and \$7,600,000.00 after the Bar Order is issued and becomes Final.<sup>5</sup>

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<sup>4</sup> This description of the Settlement Agreement is only a summary. The Settlement Agreement memorializes all of the terms and conditions of the Parties' agreement. Parties in interest are encouraged to read the Settlement Agreement in full and consult with a lawyer, if necessary.

<sup>5</sup> As used in this Motion, in reference to any court order, being "Final" means a court order unmodified after the conclusion of, or expiration of, any right of any person to seek any appeal, rehearing, or reconsideration of the order.

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- (ii) The Cason Plaintiffs, the Attorneys, and the Receiver exchange the mutual releases set forth in Section 5 of the Settlement Agreement.
- (iii) The Cason Plaintiffs recover either approximately 100% of the attorneys' fees that they paid to C&S (if they were investors in Hotel Phase II or Penthouse Phase III) or approximately 50% of the attorneys' fees that they paid to C&S (if they were investors in Suites Phase I).<sup>6</sup>
- (iv) The Cason Plaintiffs' counsel recover their attorneys' fees, and reimbursement of their expenses, so the Cason Plaintiffs need not pay such amounts.
- (v) The Cason Plaintiffs stay the Cason Action after execution of the Settlement Agreement and dismiss their claims against Carroll and Scribner with prejudice after the Bar Order is issued and becomes Final.
- (vi) The Receiver maintains an escrow reserve from the Settlement Amount and, at the expense of the Receivership Estate up to the amount held in escrow, holds the Attorney Released Parties harmless, and indemnifies and defends the Attorney Released Parties, from and against any and all judgments, claims, or liabilities arising from or related in any manner to any person or entity who brings or seeks to bring a claim against any of the Attorney Released Parties that may be prohibited by, or in violation of, the Bar Order.
- (vii) The Receiver shall allocate and use the balance of the Settlement Amount for the benefit of the Receivership Estate.

Stated differently, the principal financial terms of the settlement are as follows: the combined settlements are for \$8,000,000.00, from which the Cason Plaintiffs receive \$350,000.00; the attorneys for the Cason Plaintiffs receive \$2,450,000.00; and the Receiver receives the \$5,200,000.00 balance, with \$1,250,000.00 being held as an escrow reserve for a limited period of time in the event anyone violates the Bar Order, such amount being reduced over time. A relatively small deposit is being paid (\$400,000.00) for the Receiver's time and effort in participating in the settlement process and seeking the issuance of the required Bar Order, but \$200,000.00 is refundable if the Bar Order is not issued. And, as stated above, it is a condition precedent to the

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<sup>6</sup> As the Court may recall, the Receiver has already repaid the promissory notes associated with the Suites Phase I investors. In addition, each Cason Plaintiff that sought lawful permanent residency under the Jay Peak EB-5 program has received it.

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effectiveness of the Settlement Agreement and to the Receiver's receipt of the entire Settlement Amount that the Court issue the Bar Order.

**E. Facts Supporting Approval of the Settlement Agreement and Entry of the Bar Order**

The Receiver has diligently investigated all claims he believes he could have brought against the Attorneys. Among other things, the Attorneys produced over 130,000 pages of documents to the Receiver in early 2017, the Receiver was provided documents that the Cason Plaintiffs obtained in discovery in the Cason Action, and counsel for the Parties engaged in countless telephone conferences. This investigation revealed that the Receiver's potential claims against the Attorneys involved disputed facts that would require substantial time and expense to litigate, with significant uncertainty as to the outcome of such litigation and any ensuing appeal. Throughout this investigation, the Receiver and the Attorneys were represented by experienced and diligent counsel vigorously pressing their respective client's position, underscoring the risk of litigation in terms of time, expense and uncertainty of outcome.

For their part, counsel for the Cason Plaintiffs, Carroll, and Scribner were involved in extensive discovery over the course of many years and exchanged literally hundreds of thousands of pages of documents and conducted depositions of several key individuals. They, too, engaged in countless in-person meetings and telephone conferences. And they, too, were represented by experienced and diligent counsel vigorously pressing their respective client's position.

The Settlement Agreement provides outstanding recoveries for the Cason Plaintiffs, and after payment of such amounts and attorneys' fees to their counsel, still results in a recovery for the Receivership Entities of over \$5 million (\$5,200,000.00, to be exact). These funds will provide the Receivership Entities with much-needed liquidity in order to meet off-season difficulties facing the Jay Peak Resort and the Burke Mountain Hotel, all of which have been exacerbated by the COVID-19 virus and the closing of the American/Canadian border, from which the Jay Peak

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Resort and Burke Mountain Hotel obtain a large number of their patrons. This liquidity will thus enable the Receiver to maintain the Jay Peak Resort and Burke Mountain Hotel properties for the benefit of all Investors. The Settlement Amount will thus substantially benefit *all* of the Investors and *all* of the Receivership Entities and will be used to maximize the Receivership Estate's value.

The Bar Order has been a condition of any settlement with the Attorneys since the commencement of the Parties' discussions. In colloquial terms, the Attorneys' willingness to settle so generously – for \$8,000,000 – is contingent upon “global peace” with respect to all claims that could be asserted against the Attorneys relating in any way whatsoever to the EB-5 Actions, the Receivership Entities, or the Attorney Activities. The Bar Order is accordingly a condition precedent to the effectiveness of the Settlement Agreement and to payment of the full Settlement Amount (with the exception of the relatively small nonrefundable amount – \$200,000.00 – that is allocable to the Receiver's time and effort in participating in the settlement process and seeking the issuance of the required Bar Order). Parties potentially affected by the Settlement Agreement or the Bar Order will receive notice in the manner set forth below and provided in the Preliminary Approval Order (as may be supplemented by the Court).

**E. Settlement Approval Procedures**

To afford potentially affected parties notice and an opportunity to object and participate in a hearing, the Receiver proposes the following procedures for notice, objections and a hearing (the “Settlement Approval Procedures”):

- (i) Notice. The Receiver will prepare a notice substantially in form and content as Exhibit C to the Settlement Agreement (the “Notice”), which will contain a description of the Settlement Agreement and the Bar Order and afford potentially affected parties the opportunity – through multiple different means – to obtain complete copies of all settlement-related papers; the notice will be distributed in accordance with items (ii), (iii) and (iv) below.
- (ii) Service. The Receiver will serve the Notice no later than ten (10) days after entry of the Preliminary Approval Order by first class U.S. mail, postage prepaid to:

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- a. all counsel who have appeared of record in the SEC Action;
  - b. all counsel who are known by the Receiver to have appeared of record in any legal proceeding or arbitration commenced by or on behalf of any of the Receivership Entities, or any individual investor or putative class of investors seeking relief against any person or entity relating in any manner to the Receivership Entities or the subject matter of the SEC Action;
  - c. all known investors in each and every one of the Receivership Entities identified in the investor lists in the possession of the Receiver at the addresses set forth therein;
  - d. all known non-investor creditors of each and every one of the Receivership Entities identified after a reasonable search by the Receiver;
  - e. all parties to the SEC Action;
  - f. all professionals, financial institutions, and consultants of the Receivership Entities that previously received notice of the Receiver's settlements for which bar orders were requested and issued;
  - g. all owners, officers, directors, and senior management employees of the Receivership Entities that previously received notice of the Receiver's settlements for which bar orders were requested and issued; and
  - h. all other persons or entities that previously received notice of the Receiver's settlements for which bar orders were requested and issued.
- (iii) Publication. The Receiver will publish the Notice no later than ten (10) days after entry of the Preliminary Approval Order:
- a. twice a week for a period of not less than three (3) weeks in each of the Burlington Free Press and Vermont Digger; and
  - b. on the website maintained by the Receiver in connection with the SEC Action ([www.JayPeakReceivership.com](http://www.JayPeakReceivership.com)), on which there is a "drop down" feature that permits viewers to convert website text to seven different languages.
- (iv) Copies upon Request. The Receiver will promptly provide copies of the Motion, the Settlement Agreement, and all exhibits and attachments thereto to any person who requests such documents via email to Kimberly Smiley at [kimberly.smiley@akerman.com](mailto:kimberly.smiley@akerman.com), or via telephone by calling Ms. Smiley at 954-759-8929.
- (v) Evidence of Compliance. No later than five (5) days before the Final Approval Hearing (defined below), the Receiver will file with the Court written evidence of

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compliance with items (i) through (iv) above either in the form of an affidavit or declaration.

(vi) Hearing. The Receiver requests that the Court schedule a hearing (the “Final Approval Hearing”) to consider final approval of the Settlement Agreement and entry of the Bar Order on a date that is at least sixty (60) calendar days after the entry of the Preliminary Approval Order.

(vii) Objection Deadline and Objections.

a. The Receiver requests that the Court require any person who objects to the Settlement Agreement or the Bar Order to file an objection with the Court no later than thirty (30) calendar days after entry of the Preliminary Approval Order (the “Objection Deadline”).

b. The Receiver requests that the Court require all such objections to

i. be in writing;

ii. be signed by the person filing the objection, or his or her attorney;

iii. state, in detail, the factual and legal grounds for the objection;

iv. attach any document the Court should review in considering the objection and ruling on the Motion;

v. require the person filing the objection to make a request to appear at the Final Approval Hearing, if that person intends to appear at the Final Approval Hearing; and

vi. be served by email and regular mail on:

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-and-

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- c. The Receiver requests that no person be permitted to argue at the Final Approval Hearing unless such person has complied with the requirements of the foregoing procedures.
- d. The Receiver also requests that any party to the Settlement Agreement be authorized to file a response to the objection before the Final Approval Hearing.

**III.**  
**Relief Requested**

The Receiver respectfully requests (i) entry of the Preliminary Approval Order, preliminarily approving the Settlement Agreement and the Settlement Approval Procedures outlined herein, and (ii) entry of the Bar Order, after expiration of the Objection Deadline if no objections are timely filed or after the Final Approval Hearing if objections are timely filed.

**IV.**  
**Basis for Requested Relief**

“A district court has broad powers and wide discretion to determine relief in an equity receivership.” *SEC. v. Elliott*, 953 F.2d 1560, 1566 (11th Cir. 1992). In such an action, a district court has the power to approve a settlement that is fair, adequate and reasonable, and is the product of good faith after an adequate investigation by the receiver. *See Sterling v. Steward*, 158 F.3d 1199 (11th Cir. 1998). “Determining the fairness of the settlement is left to the sound discretion of the trial court and *we will not overturn the court’s decision absent a clear showing of abuse of*



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*that discretion.*” *Id.* at 1202 (quoting *Bennett v. Behring Corp.*, 737 F.2d 982, 986 (11th Cir. 1984) (emphasis supplied)).

A district court also has the power to enter an order permanently enjoining third parties from bringing any claims against a settling party that could have been asserted by or through the receivership or in connection with any the facts giving rise to the receivership – often referred to as a “bar order.” *SEC v. Kaleta*, 530 Fed. Appx. 360 (5th Cir. 2013) (approving bar order in SEC receivership). Bar orders are appropriate “to assist the parties in reaching a settlement.” *Matter of Munford, Inc.*, 97 F.3d 449, 455 (11th Cir. 1996) (approving a bar order in a bankruptcy case). Such bar orders have been approved by the Eleventh Circuit and in cases in this District. *See, e.g., In re Seaside Eng’g & Surveying, Inc.*, 780 F.3d 1070, 1076 (11th Cir. 2015) (approving a bar order in a chapter 11 bankruptcy case); *In re U.S. Oil and Gas Lit.*, 967 F.2d 480 (11th Cir. 1992) (approving bar order in a class action); *SEC v. Mutual Benefits Corp.*, No. 04-60573 [ECF No. 2345] (S.D. Fla. Oct. 13, 2009) (Moreno, J.) (approving bar order in SEC receivership); *SEC v. Latin American Services Co., Ltd.*, No. 99-2360 [ECF No. 353] (S.D. Fla. May 14, 2002) (Ungaro-Benages, J.) (approving bar order in SEC receivership). Entry of a bar order is reviewed for an abuse of discretion. *See Seaside Eng’g*, 780 F.3d at 1081 (affirming entry of a bar order where “the bankruptcy court did not abuse its discretion”).

The powers of the Court also include the fixing of procedures for the grant of such relief, as long as due process is afforded to affected persons. *See Elliott*, 953 F.2d at 1566.

**A. The Settlement Agreement is fair, adequate, and reasonable.**

To approve a settlement in an equity receivership, a district court must find the settlement is fair, adequate and reasonable, and is not the product of collusion between the parties. *See Sterling*, 158 F.3d at 1203. To determine whether the settlement is fair, the court should examine the following factors: “(1) the likelihood of success; (2) the range of possible [recovery]; (3) the

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point on or below the range of [recovery] at which settlement is fair, adequate and reasonable; (4) the complexity, expense and duration of litigation; (5) the substance and amount of opposition to the settlement; and (6) the stage of proceedings at which the settlement was achieved.” *Id.* at 1203 n.6 (citing *Bennett*, 737 F.2d at 986).

Upon due consideration of these governing factors, the Settlement Agreement should be approved. Before entering into the Settlement Agreement, the Receiver and his counsel carefully considered and dutifully investigated, analyzed, and evaluated the potential claims against the Attorneys; the counterclaims and defenses that would be asserted to those claims, including the actual defenses asserted by Carroll and Scribner to the actual claims brought against them by the Cason Plaintiffs; the delay and expense of prosecution of such claims; the uncertainty of outcome in any such litigation; and the possibility of appeal of any adverse outcome. The Settlement Agreement was executed after extensive, arm’s length negotiations conducted between the Parties and their experienced counsel in good faith. It was, of course, not the product of collusion. *See Hemphill v. San Diego Ass’n of Realtors, Inc.*, 225 F.R.D. 616, 621 (S.D. Cal. 2004) (“[T]he courts respect the integrity of counsel and presume the absence of fraud or collusion in negotiating the settlement[.]”).

Indeed, it bears mention that the process of negotiating the terms of the Settlement Agreement occurred over a period of more than six months, during the course of which the Cason Plaintiffs were cooperative with and supportive of the Receiver’s efforts on behalf of the Receivership Entities and their Investors, forthcoming with documents, information, and testimony, and demonstrated repeatedly a good faith intention to assist the Receiver in evaluating potential claims. During that time, the Attorneys were also cooperative and forthcoming about the

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defenses they have asserted to the Cason Plaintiffs' claims and the counterclaims and defenses that they would assert to the Receiver's claims, if brought.

In addition to those informal negotiations, several of the Parties also attended a formal mediation presided over by Professor Eric Green, one of the pioneers of Alternative Dispute Resolution. Involvement of a skilled mediator is viewed as a positive factor in addressing the reasonableness of a settlement. *See, e.g., Poertner v. Gillette Co.*, 14-13882, 2015 WL 4310896, \*6 (11th Cir. 2015) (affirming approval of class action settlement, noting the parties' arm's-length negotiations moderated by an experienced mediator); *Lee v. Ocwen Loan Servicing, LLC*, No. 14-CV-60649, slip op. at 25-26 (S.D. Fla. Sept. 14, 2015) (approving settlement and noting that parties' use of a highly respected mediator supported the conclusion that the settlement was not the product of collusion); *Hamilton v. SunTrust Mortg. Inc.*, No. 13-60749-CIV, 2014 WL 5419507, at \*2 (S.D. Fla. Oct. 24, 2014) (noting that the fact that the settlement occurred following significant litigation, considerable document discovery, and months of negotiations with the help of a well-respected mediator supported approval of class action settlement). During negotiations and in preparation for mediation, the Parties exchanged over 150 pages of substantive legal analysis of the Parties' actual and potential claims and defenses. The proposed settlement marks the culmination of those efforts and is reflected in the Settlement Agreement and this Motion.

The Settlement Agreement thus provides for a total payment of \$8,000,000.00, which enables the Receiver to refund approximately one-hundred percent of the attorneys' fees that some of the Cason Plaintiffs paid to C&S and approximately fifty-percent of the attorneys' fees that the remaining Cason Plaintiffs paid to C&S. The settlement also results in the Receivership Estate

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receiving \$5,200,000.00, *net of* the Cason Plaintiffs receiving their recovery and their counsel receiving their fee and reimbursement of their expenses.

Such a recovery is undoubtedly well within the range of reasonableness and will provide the liquidity needed to maximize the value of the assets owned by the Receivership Entities for the benefit of *all* investors and other stakeholders and creditors. The Settlement Agreement, therefore, provides a substantial benefit to the Receivership Entities and all of their investors and other creditors. Accordingly, the Settlement Agreement is fair, adequate and reasonable, and not the product of collusion.

**B. The Bar Order is necessary and appropriate ancillary relief to the SEC Action.**

*i. The Court has the authority to approve the Bar Order.*

District courts have the power to enter bar orders in equity receiverships where necessary or appropriate as ancillary relief in the context of the underlying action. *See Kaleta*, 530 Fed. Appx. at 362. As the Fifth Circuit has explained, a district court has “inherent equitable authority to issue a variety of ancillary relief measures in actions brought by the SEC to enforce the federal securities laws.” *Id.* (internal quotations omitted). *See also* All-Writs Act, 28 U.S.C. § 1651; *In re Baldwin-United Corp. (Single Premium Deferred Annuities Ins. Litig.)*, 770 F.2d 328, 338 (2d Cir. 1985). Such ancillary relief includes injunctions against non-parties as part of settlements in the receivership. *See Kaleta*, 530 Fed. Appx. at 362.

This power to enter bar orders is consistent with the Eleventh Circuit’s recognition of the district court’s “broad powers and wide discretion to determine relief in an equity receivership [that] derives from the inherent powers of an equity court [to] fashion relief[.]” *See Elliott*, 953 F.2d at 1566. Moreover, the Eleventh Circuit has *expressly* held that district courts have the power to enter bar orders. *See Seaside Eng’g*, 780 F.3d at 1081 (affirming entry of a bar order through a chapter 11 plan where “fair and equitable”); *Munford*, 97 F.3d at 455 (affirming entry of a bar

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order over objection of non-settling defendants where “integral to settlement in an adversary proceeding”); *In re U.S. Oil and Gas Lit.*, 967 F.2d 489 (11th Cir. 1992) (affirming entry of a bar order over objection of non-settling co-defendants).<sup>7</sup>

Citing the Eleventh Circuit’s precedents in *Munford* and *U.S. Oil and Gas Litigation*, Judge Moreno concluded that bar orders are “within this Court’s jurisdiction and equitable authority to enter and enforce.” *Mutual Benefits Corp.*, No. 04-60573, slip op. [ECF No. 2345] at 8. Accordingly, courts in this District have regularly entered bar orders in SEC receiverships and in bankruptcy cases, *as has this Court on several occasions in this case*. See, e.g., *id.* (entering a bar order where it was “necessary” to administration of the receivership); *Brophy v. Salkin*, 550 B.R. 595 (S.D. Fla. 2015) (affirming bankruptcy court’s entry of bar order); *Latin Am. Services Co., Ltd.*, No. 99-2360, slip op. [ECF No. 353] at 4 (entering a bar order against all investors over investor objection); *In re Rothstein Rosenfeldt Adler, PA*, 2010 WL 3743885, at \*7 (Bankr. S.D. Fla. Sept. 22, 2010) (entering bar order that was “necessary to achieve the complete resolution” of the parties’ disputes and was “fair and equitable”).

**ii. The Court should enter the Bar Order.**

Whether a bar order should be approved turns on the specific facts and circumstance of each individual case. See *Kaleta*, 530 Fed. Appx. at 362 (“receivership cases are highly fact-specific”). And, as stated above, the settlement here is not at all like the settlement that was reached with Ironshore that was recently the subject of an appeal before the 11<sup>th</sup> Circuit. See *SEC v. Quiros*, 966 F.3d 1195 (11th Cir. 2020). This settlement is ***expressly conditioned*** on the Attorneys

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<sup>7</sup> The Eleventh Circuit’s approval of bar orders in bankruptcy cases is particularly persuasive here in that the Eleventh Circuit has also recognized the parallels of between bankruptcy proceedings and equity receiverships. See *Bendall v. Lancer Management Group, LLC*, 523 Fed. Appx. 554, 557 (11th Cir. 2013) (“Given that a primary purpose of both receivership and bankruptcy proceedings is to promote the efficient and orderly administration of estates for the benefit of creditors, we will apply cases from the analogous context of bankruptcy law, where instructive, due to limited case law in the receivership context.”).

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receiving the Bar Order in substantially the same form as the proposed bar order attached to the Settlement Agreement. In this case, there are ample facts establishing that the Bar Order is necessary and appropriate:

- Entry of the Bar Order is a contractual prerequisite to securing \$8,000,000.00 from the Attorneys. Indeed, with the exception of \$400,000.00 in deposits (half of which is refundable), the Settlement Amount is not even due until the Bar Order is issued **and becomes “Final.”** See *Seaside Eng’g*, 780 F.2d at 1080 (approving bar order where settling party made a substantial contribution); *U.S. Oil and Gas Lit.*, 967 F.2d at 494 (bar order appropriate to secure \$8.5 million in exchange for global peace for settling party); *Kaleta*, 530 Fed. Appx. at 362 (additional consideration in the form of guarantee of payment to the receivership).
- Considering the entire Settlement Amount, enough is being recovered to enable the Receiver to (i) return approximately one hundred percent that some of the Cason Plaintiffs paid to C&S; (ii) return approximately fifty percent that the remaining Cason Plaintiffs paid to C&S; (iii) pay the Cason Plaintiffs’ attorneys their fee, and reimburse their expenses; and (iv) have \$5,200,000.00 remaining for the Receivership Estate. The Settlement Amount is being paid from insurance policies maintained by the Attorneys, and represents a substantial portion of the proceeds of such policies. See *Munford*, 97 F.3d at 456 (approving bar order where settling party contributed nearly all proceeds of its insurance policy).
- The liquidity from the Settlement Amount is essential to continuing the operations of the Jay Peak Resort and Burke Mountain Hotel, particularly during these very difficult times involving (i) a global pandemic; (ii) the closing of the American/Canadian border (through which many of the Jay Peak Resort and Burke Mountain Hotel patrons cross); and (iii) the off-season for both properties. See *Seaside Eng’g*, 780 F.2d at 1080 (approving bar order that was essential to maintaining operations of reorganized debtor and would provide “life blood”); *Mutual Benefits Corp.*, No. 04-60573, slip op. [ECF No. 2345] at 8 (bar order necessary to the administration and disposition of receivership property).
- The Bar Order is a necessary and integral condition precedent to the settlement and a full and final resolution of the disputes between the Receiver, the Cason Plaintiffs, and the Attorneys. Indeed, it is a specific condition precedent to the Settlement Agreement—in particular, to both the Receiver’s receipt of the full Settlement Amount and the Parties’ mutual releases. See *U.S. Oil and Gas Lit.*, 967 F.2d at 494-95 (approving bar order that was “integral” to approved settlement).
- Without the Bar Order, assets of the Receivership Entities would be depleted by time-consuming, expensive, and risky litigation in another jurisdiction without any

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certainty of outcome. *See Seaside Eng'g*, 780 F.3d at 1079 (bar order appropriate to stop the depletion of estate assets expended in funding litigation).

- The Bar Order is particularly important for the protection of the assets of the Receivership Entities because the Settlement Amount is being paid from “wasting” insurance policies that would be consumed by competing litigations. *See Zacarias v. Stanford Int’l Bank, Ltd.*, 945 F.3d 883, 901 (5th Cir. 2019) (affirming entry of bar order in light of risk to receivership assets when “continued litigation [against a settling party] would eat away at the limited funds available under its ‘wasting’ insurance policy”); *see also SEC v. DeYoung*, 850 F.3d 1172, 1183-84 (10th Cir. 2017) (absent bar order, settling party’s wasting insurance policy would be exhausted by litigation with non-settling third party).
- Likewise, the Bar Order is needed to protect the assets of the Receivership Entities in light of the Receiver’s indemnification obligations in the Settlement Agreement and the Receivership Entities’ potential pre-receivership contractual obligations to indemnify the Attorneys. *See DeYoung*, 850 F.3d at 1183 (bar order appropriate to protect receivership entity’s assets and limit its contractual obligation to indemnify settling party against claims by non-settling third party); *see also Zacarias*, 945 F.3d at 902 (enjoining third-party claims that “would undermine the receivership’s operation” was “well within the broad jurisdiction of the district court to protect the receivership res”).
- The Bar Order is specifically tailored to the facts underlying the SEC Action and the Cason Action, and the barred claims are interrelated to potential claims that could be brought by the Receiver and were in fact brought by some of the Investors in the Receivership Entities. *See U.S. Oil and Gas Lit.*, 967 F.2d at 496 (barring interrelated claims); *Kaleta*, 530 Fed. Appx. at 362 (bar order appropriately tailored to claims that arise from the underlying fraud).
- Investors will greatly benefit from the Settlement Amount, as described above, by either receiving payments now or through a claim against the receivership after a claims process is established (or both). *See Kaleta*, 530 Fed. Appx. at 362 (investors may “pursue their claims by participat[ing] in the claims process for the Receiver’s ultimate plan of distribution for the Receivership Estate”) (alteration in original; internal quotations omitted).
- The Bar Order is “fair and equitable” to non-settling third parties whose potential claims against the Attorneys will be enjoined because they may pursue such claims in the distribution of the receivership estate. *See Zacarias*, 945 F.3d at 903 (rejecting third party’s argument that “bar order deprived them of their property (that is, their claims) without due process and without just compensation” because “the bar orders channel investors’ recovery associated with [the settling parties] through the receivership’s distribution process”); *see also DeYoung*, 850 F.3d at 1182-83; *cf. SEC v. Stanford Int’l Bank*, 927 F.3d 830, 848 n.18 (5th Cir. 2019) (“When compared with *DeYoung*, 850 F.3d at 1182-83, the unsustainability of the settlement and bar orders here is manifest. Unlike that case, the extracontractual

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claims of these Appellants do not parallel those of the Receiver, Underwriters possess no contribution/indemnity claim against the receivership estate, and Appellants have been provided no channel to assert claims in the receivership.”).

- The interests of persons potentially affected by the Bar Order have been represented by the Receiver, acting in the best interests of the Receivership Entities in his fiduciary capacity and upon the advice and guidance of his experienced counsel.

In light of these facts, and the authorities entering similar bar orders in comparable circumstances, entry of the Bar Order is necessary and appropriate ancillary relief.<sup>8</sup>

**C. The Settlement Approval Procedures comply with due process; they afford persons affected by the Settlement Agreement and Bar Order notice and an opportunity to be heard in a manner that is good and sufficient under the circumstances.**

“Due process requires notice and an opportunity to be heard.” *Elliott*, 953 F.2d at 1566.

The procedures required to satisfy due process vary “according to the nature of the right and to the type of proceedings.” *Id.* “[A] hearing is not required if there is no factual dispute.” *Elliott*, 953 F.2d at 1566. Ultimately, due process requires procedures that are “fair.” *Id.* The Settlement Approval Procedures delineated above meet all of these requirements.

The form and content of the Notice provide a reasonable opportunity to evaluate and object to the Motion, the Settlement Agreement, or the Bar Order. The Notice contains a description of the settlement and the Bar Order, the parties to the Settlement Agreement, and the material terms thereof. The Notice provides a reasonable description and warning that the rights of the person receiving or reviewing it may be affected by the Settlement Agreement and Bar Order and of their right to object to the settlement and Bar Order, and the manner in which to make such an objection.

The manner and method of service and publication set forth in the Settlement Approval Procedures is reasonably calculated under the circumstances to disseminate the Notice to *all* potentially affected parties. The Notice will be served on all counsel who have appeared of record

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<sup>8</sup> This Court entered similar bar orders in favor of Citibank and Raymond James in connection with the Receiver’s settlement of those claims. [D.E. 231, 353].



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in the SEC Action; all counsel who are known by the Receiver to have appeared of record in any legal proceeding or arbitration commenced by or on behalf of any of the Receivership Entities or any Investors; and all known Investors in each one of the Receivership Entities. The Notice will be served on all known non-investor creditors; all professionals, financial institutions, and consultants of the Receivership Entities that previously received notice of the Receiver's other settlements for which bar orders were requested and issued; all owners, officers, directors, and senior management employees of the Receivership Entities that previously received notice of the Receiver's settlements for which bar orders were requested and issued; and all other persons or entities that previously received notice of the Receiver's settlements for which bar orders were requested and issued. In short, all investors, creditors, and other interested persons of which the Receiver has actual knowledge will receive actual service of the Notice.

In addition, the Notice will be published in the *Burlington Free Press*, which is the regional paper of widest circulation in Vermont, and the *Vermont Digger*, which has run countless stories on the Jay Peak projects and is believed to be followed by many stakeholders in the Receivership Entities. The Notice will also be published on the Receiver's website, which has been online since the Receiver's appointment in 2016 and which is available in seven different languages. Such

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publication is reasonably calculated to apprise persons not receiving actual service of the Notice that their rights may be affected and of their opportunity to object.

Accordingly, the Settlement Approval Procedures furnish all parties in interest a full and fair opportunity to evaluate the Motion, the Settlement Agreement and the Bar Order, and to object thereto.

**V.**  
**Conclusion**

**WHEREFORE**, the Receiver respectfully requests that the Court grant this Motion and enter the Preliminary Approval Order and the Bar Order in the manner set forth above.

**Local Rule 7.1 Certification of Counsel**

Pursuant to Local Rule 7.1, undersigned counsel has conferred with counsel for the SEC; the SEC does not object to the settlement, but takes no position for or against the proposed Bar Order. In addition, chair lead interim class counsel appointed in the Jay Peak class action filed on behalf of all Jay Peak investors (Harley S. Tropin) has no objection to the relief sought herein.

Dated: December 22, 2020

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By: /s/ Jeffrey C. Schneider  
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**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing was served on December 22, 2020 via the Court's notice of electronic filing on all CM/ECF registered users entitled to notice in this case as indicated on the attached Service List.

By: /s/ Jeffrey C. Schneider  
JEFFREY C. SCHNEIDER, P.A.

**EXHIBIT 1**

## SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (the “Agreement”) is entered into by and among: Michael I. Goldberg, in his capacity as receiver (the “Receiver”) for the entities identified on Schedule A to this Agreement (collectively, the “Receivership Entities”); Sandra Cason, as Executrix of the Estate of Armando Cason, Sandra Chau, Robert Connors, Fernando De Salvidea, Carlos Duarte, John Duthoit, Charmaine Enslin, Natalie Faldo, William Handley, Clarissa Hobden, Daniel Khabbazi, Roman Klaban, Roland Lanctot, David Malcher, Angela Mann, Christopher Mercer, Lakshman Paidi, Eshaghi Parviz, Chandrasekhar Pemmasani, Gareth Perry, Peter Poulsen, Maurice Price, Jorge Salas, Antony Sutton, and Caroline Waters (collectively, the “Cason Plaintiffs”); Edward J. Carroll, Esq. (“Carroll”), Carroll & Scribner, P.C. (“C&S”), and Carroll & Associates, P.C. (“C&A” and, together with Carroll and C&S, the “C&S Parties”); and Mark H. Scribner, Esq. (“Scribner”) and Primmer Piper Eggleston & Cramer, P.C. (“PPEC” and, together with Scribner, the “PPEC Parties”). (The Receiver, the Cason Plaintiffs, the C&S Parties, and the PPEC Parties shall each be referred to as a “Party” and shall collectively be referred to as the “Parties,” the C&S Parties and the PPEC Parties shall collectively be referred to as the “Attorneys.”) The Cason Plaintiffs have requested that the Settlement Amount (as defined below) be disbursed by the Receiver, and the Attorneys have conditioned this settlement on the issuance of a Bar Order (as defined below).

### RECITALS

A. The Receiver has been appointed as receiver over the Receivership Entities in a civil enforcement action commenced by the Securities and Exchange Commission (the “SEC”) captioned *SEC v. Quiros et al.*, Case No. 16-CV-21301-DPG pending in the United States District Court for the Southern District of Florida (the “SEC Action”) before the Honorable Darrin P. Gayles. The Receiver derives his authority over the Receivership Entities from the District Court’s *Order Granting Motion for Appointment of Receiver* [DE #13] entered at the request of the SEC [DE #7], and as expanded on April 22, 2016 and September 7, 2018, to include other entities [DE #60 and DE #493]. The District Court subsequently entered a Preliminary Injunction, thereby continuing the Receiver’s appointment over the Receivership Entities [DE #238]. (The Receivership Entities and all property subject to the Receiver’s authority are collectively referred to as the “Receivership Estate.”)

B. The complaint in the SEC Action alleges, *inter alia*, that defendants Ariel Quiros (“Quiros”) and William Stenger (“Stenger”), in violation of federal securities laws, controlled and utilized the various Receivership Entities in furtherance of a fraud on foreign investors who invested in certain limited partnerships under the federally-created EB-5 visa program (the “Investors”) and sought various forms of relief including appointment of the Receiver. The first six limited partnerships (defined as Suites Phase I, Hotel Phase II, Penthouse Phase III, Golf and Mountain Phase IV, Lodge and Townhouses Phase V, and Stateside Phase VI) were used to develop and expand the Jay Peak resort located in the Village of Jay, Vermont (the “Jay Peak Resort”). The seventh limited partnership (defined as Biomedical Phase VII) raised funds to purchase land and develop a biomedical research facility in Newport, Vermont (“AnC Bio”). The eighth limited partnership (defined as Q Burke Phase VIII) was used to develop and expand the Burke Mountain hotel and ski area located in East Burke, Vermont (the “Burke Mountain Hotel”).

C. On February 8, 2018, a group of Investors commenced an action in the United States District Court for the District of Vermont captioned *Cason, et al. v. Edward Carroll, Esq. and Mark Scribner, Esq.*, Case No. 2:18-cv-40 (the “Cason Action”). On August 8, 2019, a slightly different group of Investors, the Cason Plaintiffs, filed an amended complaint in the Cason Action. That August 8, 2019 amended complaint is the operative complaint in the Cason Action.

D. Discovery efforts in the Cason Action have progressed, and the Cason Plaintiffs, Carroll, and Scribner have engaged in meaningful discovery, including the exchange and review of large quantities of documents and depositions of key individuals. The Cason Plaintiffs, Carroll, and Scribner engaged in a full day of mediation in April 2019, but did not settle the case.

E. The Attorneys provided legal services to certain of the Receivership Entities before the SEC Action was filed. Following his appointment, the Receiver engaged some of the Attorneys to provide additional legal services to certain of the Receivership Entities. A portion of the amount billed to the Receivership Entities by the Attorneys remains unpaid. Additionally, the Attorneys contend that certain of the Receivership Entities have pre-receivership contractual obligations to indemnify and compensate the Attorneys for attorneys’ fees and costs incurred in connection with Cason Action and other issues related to the Receivership Entities. The Receiver disputes the factual and legal bases of any such pre-receivership indemnification obligations and notes that the Attorneys made no demand for indemnification prior to the settlement negotiations leading to this Agreement; for the avoidance of doubt, the Receiver does not dispute the obligations provided in Section 10 of this Agreement.

F. The Receiver has diligently investigated all claims he believes he could have brought against the Attorneys, including potential claims arising from or related to legal services provided to the Receivership Entities by the Attorneys. Among other things, the Receiver has analyzed the files produced by the Attorneys relating to the Receivership Entities beginning in January 2017 (more than 130,000 pages), as well as materials obtained from the Receivership Entities and third parties and materials obtained from the Cason Plaintiffs in the Cason Action. The Receiver has engaged in numerous telephone conferences with counsel for the Attorneys. This investigation revealed that the Receiver’s potential claims against the Attorneys involve disputed facts that would require substantial time and expense to litigate, with significant uncertainty as to the outcome of such litigation and any ensuing appeal. The Attorneys dispute the factual and legal bases of any such claims, and have indicated their intention to defend any such claims vigorously.

G. In February 2020, the Cason Plaintiffs asked the Receiver to help facilitate a settlement of the Cason Action. In July 2020, several of the Parties engaged in a full day of mediation with a well-regarded mediator, which included the exchange of over 150 pages of substantive legal analysis of the Parties’ potential claims.

H. The C&S Parties and the PPEC Parties each have one policy of insurance that was or could be available to cover claims that arise directly or indirectly from the EB-5 Actions (as defined below), relating to any of the Receivership Entities, or which arise directly or indirectly from the Attorney Activities (as defined below). These policies are wasting policies in the amount of Two Million Dollars (\$2,000,000.00) and Ten Million Dollars (\$10,000,000.00), respectively. A significant portion of the limit of liability of both policies has been depleted by fees and expenses

in connection with the defense of the Cason Action, document requests by the Receiver and Investors, and the negotiations leading to this Agreement.

I. The Cason Plaintiffs have requested that the sum of Eight Million Dollars (\$8,000,000.00) (the “Settlement Amount”) be disbursed by the Receiver as set forth herein in accordance with future orders of the District Court in the SEC Action.

J. The Parties desire to settle all claims brought, those that could have been brought, and those that may be brought in the future against: the Attorneys, including, Carroll, Scribner, C&A, C&S, PPEC and their current and former employees, shareholders, of counsel, agents, attorneys, officers, directors, members, managers, principals, associates, representatives, and trustees, and general and limited partners; the Attorneys’ insurer, ALPS Property & Casualty Insurance Company; and each of their respective administrators, heirs, trustees, beneficiaries, assigns, directors, officers, affiliates, subsidiaries, predecessors, predecessors in interest, successors, and successors in interest (collectively, the “Attorney Released Parties”). The Attorneys enter into this Agreement and seek assurance that, upon settlement of the claims brought in the Cason Action and the Receiver’s potential claims, as well as entry of the Bar Order (as defined below), no further civil actions can or will be prosecuted or commenced against the Attorney Released Parties with respect to the events and occurrences underlying the claims in the EB-5 Actions (as defined below), or otherwise relating in any way to any of the Receivership Entities, or which arise directly or indirectly from the Attorneys’ activities, omissions, services, or counsel in connection with the Receivership Entities, Jay Peak Resort, AnC Bio, or the Burke Mountain Hotel (the “Attorney Activities”). This includes but is not limited to: prosecution of the Cason Action; amendment of the actions filed by Investors, including without limitation, *Qureshi v. People’s United Bank*, Case No. 2:18-CV-00163-CR (D. Vt.), *Sutton v. Vermont Regional Center*, Case No. 100-5-17 Lecv (Vt. Sup. Ct.), and *Wang v. Shen*, Case No. 2:17-CV-00153 (D. Vt.) (collectively, the “Investor Actions”) to include the Attorney Released Parties; amendment of the actions filed by the Receiver, including without limitation, *Goldberg v. Kelly*, Case No. 0:17-CV-62157 (S.D. Fla.), *Goldberg v. Mitchell Silberberg & Knupp, LLP*, Case No. 1:19-CV-21862 (S.D. Fla.), *Goldberg v. McAleenan*, Case No. 1:19-CV-24753 (S.D. Fla.), *Goldberg v. McAleenan*, Case No. 1:19-CV-24746 (S.D. Fla.), and *Goldberg v. Saint-Sauveur Valley Resorts, Inc.*, Case No. 2:17-CV-00061 (D. Vt.) (collectively, the “Receiver Actions”) to include the Attorney Released Parties; amendment of the actions related to the Receivership Entities filed by other parties, including without limitation, *Quiros v. Ironshore Indemnity, Inc.*, Case No. 1:16-CV-25073 (S.D. Fla.), and *Raymond James Financial, Inc. v. Federal Insurance Company*, Case No. 1:20-CV-21707 (S.D. Fla.), (collectively, the “Related Actions” and, together with the Cason Action, the SEC Action, the Investor Actions, and the Receiver Actions, the “EB-5 Actions”) to include the Attorney Released Parties; or commencement of future actions against the Attorney Released Parties by third parties or by or on behalf of Investors or the Receivership Entities (including their past and present general partners, owners, shareholders, officers, and directors) relating to the events and occurrences underlying the claims in the EB-5 Actions, relating to any of the Receivership Entities, or which arise directly or indirectly from the Attorney Activities. This Section does not apply to any actions brought by federal or state governmental bodies or agencies.

K. Thus, the Parties recognize and understand that any full settlement of their respective rights, claims and defenses is contingent upon the grant of releases by the Receiver and

the Cason Plaintiffs, and entry of a bar order that becomes Final enjoining any and all persons or entities (excluding any actions brought by federal or state governmental bodies or agencies) from commencing or continuing any and all claims against the Attorney Released Parties that relate in any manner whatsoever to the EB-5 Actions, any of the Receivership Entities, or which arise directly or indirectly from the Attorney Activities. (As used in this Agreement, in reference to any court order, being “Final” means a court order unmodified after the conclusion of, or expiration of, any right of any person to seek any appeal, rehearing, or reconsideration of the order.)

L. As a result, the Parties have agreed to a full and final settlement of their rights, claims and defenses; provided, however, that a condition precedent to the full effectiveness of the settlement is: (i) the entry of an order by the District Court in the SEC Action in substantially the same form and substance as attached hereto as Exhibit “A” (the “Preliminary Approval Order”), which, *inter alia*, provides for preliminary approval of this Agreement and delineates the form, manner and substance of notices to be provided in advance of final approval of this Agreement; (ii) the entry of an order by the District Court in the SEC Action in substantially the same form and substance as attached hereto as Exhibit “B” (the “Bar Order”), which, *inter alia*, provides for final approval of this Agreement and bars commencement and continuation of any actions against the Attorney Released Parties (excluding any actions brought by federal or state governmental bodies or agencies); and (iii) that the Bar Order becomes Final.

**NOW THEREFORE**, in consideration of the mutual promises and covenants set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, it is **HEREBY AGREED** as follows:

1. **RECITALS.** The Parties represent, warrant and affirm that the above recitals are true and correct. The recitals set forth above are an integral part of this Agreement and are incorporated herein by reference.

2. **EFFECTIVENESS.** On the date this Agreement is fully executed by the signatories hereto (the “Execution Date”), this Agreement shall take effect, subject to approval and entry of the Bar Order by the District Court in the SEC Action that becomes Final. Stated differently, and as further provided herein, in the event the Bar Order is not issued, or the Bar Order is issued and is subsequently vacated, reversed on appeal, or modified in any manner such that it no longer bars the commencement or continuation of any and all civil actions against the Attorney Released Parties as more fully described in the Bar Order attached hereto as Exhibit B, then: this Agreement shall be null, void, and of no further effect (except for the Sections of this Agreement that survive the termination of this Agreement identified in Section 11(i)); the Parties shall not be not bound by the releases set forth in Section 5 of this Agreement; the Parties shall proceed to litigate their claims as if this Agreement had not been executed; and the Receiver shall return the Settlement Amount (other than the non-refundable portion thereof described in Section 3(b)(i) below).

3. **SETTLEMENT.**

a. **Settlement Amount.** Subject to the terms and conditions of this Agreement, in full and final settlement of the claims released in Section 5 of this Agreement, and in full and final resolution of the claims subject to the Bar Order, the Attorneys shall pay the sum of Eight



Million Dollars (\$8,000,000.00). The Parties hereby affirm that the provisions of this Agreement are fair and reasonable. The Parties agree that ALPS Property & Casualty Insurance Company, on behalf of Attorney Released Parties, shall timely issue an IRS Form 1099 to the Receiver reporting any payment to the Receiver under this Section 3. The Receiver shall issue an IRS Form 1099 to the Cason Plaintiffs and any recipient of funds from the Attorneys' Fund (defined below) in compliance with Internal Revenue Regulations.

**b. Settlement Payments.**

i. On or before the 20th day after entry of the Preliminary Approval Order, the Attorneys shall transfer to the Receiver Four Hundred Thousand Dollars (\$400,000.00) of the Settlement Amount (the "Initial Settlement Payment"). \$200,000.00 of the Initial Settlement Payment is non-refundable and shall be used to compensate the Receiver and his professionals for seeking the approval of this Agreement and the issuance of the Preliminary Approval Order and the Bar Order.

ii. On or before the 20th day after the Bar Order becomes Final, the Attorneys shall transfer Seven Million Six Hundred Thousand Dollars (\$7,600,000.00) (the "Final Settlement Payment") to the Receiver, constituting the remaining amount of the Settlement Amount.

**c. Payment Instructions.** The Attorneys shall make the payments set forth in Sections 3(b)(i) and 3(b)(ii) to an account maintained by the Receiver by wire transfer pursuant to the following wire instructions:

Receiving Bank: SunTrust Bank, 25 Park Place NE Atlanta, GA 30303  
Routing/ABA #: [REDACTED] 04  
Swift Code: [REDACTED] 3A  
Credit to: Akerman LLP IOTA Trust Account  
Beneficiary Account #: [REDACTED] 66  
Attention: Michael I. Goldberg; Matter No. [REDACTED] 32

**d. Disbursement, Allocations, and Use of Settlement Proceeds.** Subject to the approval of the District Court in the SEC Action and receipt of the Final Settlement Payment, the Receiver shall disburse the amounts delineated below and described herein, using his professional judgment in deciding how to allocate and use funds designated for the Receivership Entities and the Receivership Estate.

i. The Receiver shall pay the Cason Plaintiffs Three Hundred Fifty Thousand Dollars (\$350,000.00) in connection with their settlement of the Cason Action:

A. The Cason Plaintiffs that were members of the Suites Phase I limited partnership shall receive Twelve Thousand Five Hundred Dollars (\$12,500.00), representing approximately one-half of the attorneys' fees that they paid to C&S. For the avoidance of doubt, the Cason Plaintiffs that were members of the Suites Phase I limited partnership that will be receiving Twelve Thousand Five Hundred Dollars (\$12,500.00) are Sandra Cason, as Executrix of the Estate of Armando Cason, Sandra Chau, Robert Connors, Fernando De Salvidea, Carlos Duarte, John Duthoit, Natalie Faldo, Clarissa Hobden, Daniel Khabbazi, Roland

Lanctot, David Malcher, Angela Mann, Christopher Mercer, Lakshman Paidi, Eshaghi Parviz, Chandrasekhar Pemmasani, Gareth Perry, Peter Poulsen, Maurice Price, Jorge Salas, Antony Sutton, and Caroline Waters, for a total of Two Hundred Seventy Five Thousand Dollars (\$275,000.00).

B. The Cason Plaintiffs that are members of the Hotel Phase II and Penthouse Phase III limited partnerships shall receive Twenty Five Thousand Dollars (\$25,000.00), representing approximately the full amount of the attorneys' fees that they paid to C&S. For the avoidance of doubt, the Cason Plaintiffs that are members of the Hotel Phase II and Penthouse Phase III limited partnerships that will be receiving Twenty Five Thousand Dollars (\$25,000.00) are Roman Klaban (Hotel Phase II), William Handley (Hotel Phase II), and Charmaine Enslin (Penthouse Phase III), for a total of Seventy Five Thousand Dollars (\$75,000.00).

ii. The Receiver shall establish an attorneys' fund of Two Million Four Hundred and Fifty Thousand Dollars (\$2,450,000.00) pursuant to Section 7 of this Agreement.

iii. The Receiver shall establish an escrow reserve of One Million Two Hundred Fifty Thousand Dollars (\$1,250,000.00) pursuant to Section 10 of this Agreement.

iv. The Receiver shall allocate Five Hundred Fifty Thousand Dollars (\$550,000.00) to the Receivership Entities in full and final satisfaction of any and all potential claims the Receiver or the Receivership Entities may have against the Attorney Released Parties.

v. The Receiver shall allocate and use the balance of the Settlement Amount for the benefit of the Receivership Estate, subject to the approval of the District Court in the SEC Action. Any third parties that have or may have claims against the Attorney Released Parties related to the events and occurrences underlying the claims in the EB-5 Actions, related to any of the Receivership Entities, or which arise directly or indirectly from the Attorney Activities may pursue their claims by participating in the claims process for the Receiver's ultimate plan of distribution for the Receivership Estate.

#### **4. APPROVAL OF THE SETTLEMENT BY THE COURT.**

a. **Request for Approval.** No later than ten (10) days after the Execution Date, the Receiver shall file a motion with the District Court in the SEC Action requesting approval of this Agreement and entry of the Preliminary Approval Order and Bar Order (the "Settlement Motion").

b. **Contents of Settlement Motion.** The Receiver shall request in the Settlement Motion: (i) entry of the Preliminary Approval Order substantially in form and substance as Exhibit A to this Agreement; (ii) entry of the Bar Order substantially in form and substance as Exhibit B to this Agreement; and (iii) approval of the form and content of the notice attached hereto as Exhibit "C," and the manner and method of publication of such notice.

c. **Service and Publication of Notice.** In accordance with the Preliminary Approval Order, the Receiver shall use best efforts to provide good and sufficient notice of this Agreement, the Settlement Motion, and the deadline to object to approval of this Agreement and

the Bar Order. The Receiver shall be reimbursed from the Initial Settlement Payment for the costs of providing such notice.

**5. RELEASES.**

a. **Release of the Attorneys:** Upon payment of the Final Settlement Payment, and without the need for the execution and delivery of additional documentation or the entry of any additional orders of the District Court in the SEC Action, the Cason Plaintiffs and their counsel, and any person or entity claiming by or through them, along with the Receiver, on behalf of the Receivership Entities, shall irrevocably and unconditionally, fully, finally and forever waive, release, acquit and discharge the Attorney Released Parties from any and all claims, actions, causes of action, liabilities, obligations, rights, suits, accounts, covenants, contracts, agreements, promises, damages, judgments, claims, debts, encumbrances, liens, remedies and demands, of any and every kind, character or nature whatsoever (including unknown claims), whether liquidated or unliquidated, asserted or unasserted, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, now existing or hereafter arising, in law, at equity or otherwise, which the Cason Plaintiffs, the Receiver, and the Receivership Entities, or any of them, or anyone claiming through them, on their behalf or for their benefit, may have or claim to have, now or in the future, against the Attorney Released Parties that are based upon, relate to, or arise out of, in connection with, or pertain to the EB-5 Actions, including the parties, allegations, and issues in said actions, any of the Receivership Entities, or which arise directly or indirectly from the Attorney Activities. Notwithstanding anything contained in this Section 5(a) or elsewhere contained in this Agreement to the contrary, the foregoing is not intended to release, nor shall it have the effect of releasing, the Attorneys from the performance of their obligations in accordance with this Agreement. Notwithstanding anything contained in this Section 5(a) or elsewhere contained in this Agreement to the contrary, the foregoing is not intended to release, nor shall it have the effect of releasing, any other party or financial institution in any manner whatsoever; for the avoidance of doubt and not by way of limitation, the Cason Plaintiffs and the Receiver expressly preserve all claims and causes of action they may have against any other person, entity, or financial institution, including but not limited to the other defendants in the EB-5 Actions and other defendants that the Receiver has sued. Finally, notwithstanding anything contained in this Section 5(a) or elsewhere contained in this Agreement to the contrary, the foregoing is not intended to release, nor shall it have the effect of releasing, claims of any federal or state governmental bodies or agencies, including but not limited to the claims brought by and belonging to the SEC in the SEC Action.

b. **Release of Cason Plaintiffs:** Upon the payment of the Final Settlement Payment, and without the need for the execution and delivery of additional documentation or the entry of any additional orders of the District Court in the SEC Action, except as expressly provided in this Agreement, the Attorney Released Parties shall irrevocably and unconditionally, fully, finally and forever waive, release, acquit and discharge each and every one of the Cason Plaintiffs and their counsel, and any person or entity claiming by or through them (collectively, the "Cason Released Parties"), from any and all claims, actions, causes of action, liabilities, obligations, rights, suits, accounts, covenants, contracts, agreements, promises, damages, judgments, claims, debts, encumbrances, liens, remedies and demands, of any and every kind, character or nature whatsoever (including unknown claims), whether liquidated or unliquidated, asserted or unasserted, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, now existing or

hereafter arising, in law, at equity or otherwise, which the Attorney Released Parties, and their affiliates, subsidiaries, and assigns, or any of them, or anyone claiming through them, on their behalf or for their benefit may have or claim to have, now or in the future, against the Cason Released Parties that are based upon, relate to, or arise out of, in connection with or pertain to the EB-5 Actions, including the parties, allegations, and issues in said actions, or which arise directly or indirectly from activities regarding the Jay Peak Resort, AnC Bio, or the Burke Mountain Hotel. Notwithstanding anything contained in this Section 5(b) or elsewhere contained in this Agreement to the contrary, the foregoing is not intended to release, nor shall it have the effect of releasing, the Cason Released Parties from the performance of their obligations in accordance with this Agreement. In addition, notwithstanding anything contained in this Section 5(b) or elsewhere contained in this Agreement to the contrary, the foregoing is not intended to release, nor shall it have the effect of releasing, any person other than the Cason Released Parties in any manner whatsoever; for the avoidance of doubt and not by way of limitation, the Attorney Released Parties expressly preserve all claims and causes of action they may have against any other person or entity.

c. **Release of Receiver:** Upon the payment of the Final Settlement Payment, and without the need for the execution and delivery of additional documentation or the entry of any additional orders of the District Court in the SEC Action, except as expressly provided in this Agreement, the Attorney Released Parties and the Cason Released Parties shall irrevocably and unconditionally, fully, finally and forever waive, release, acquit and discharge the Receiver and the Receivership Entities, along with his agents and counsel (collectively, the “Receiver Released Parties”), from any and all claims, actions, causes of action, liabilities, obligations, rights, suits, accounts, covenants, contracts, agreements, promises, damages, judgments, claims, debts, encumbrances, liens, remedies and demands, of any and every kind, character or nature whatsoever (including unknown claims), whether liquidated or unliquidated, asserted or unasserted, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, now existing or hereafter arising, in law, at equity or otherwise, which the Attorney Released Parties and the Cason Released Parties, along with their affiliates, subsidiaries, and assigns, or any of them, or anyone claiming through them, on their behalf or for their benefit may have or claim to have, now or in the future, against the Receiver Released Parties that are based upon, relate to, or arise out of, in connection with or pertain to the EB-5 Actions, including the parties, allegations, and issues in said actions, or which arise directly or indirectly from activities regarding the Jay Peak Resort, AnC Bio, or the Burke Mountain Hotel. Notwithstanding anything contained in this Section 5(c) or elsewhere contained in this Agreement to the contrary, the foregoing is not intended to release, nor shall it have the effect of releasing, the Receiver Released Parties from the performance of their obligations in accordance with this Agreement. In addition, notwithstanding anything contained in this Section 5(c) or elsewhere contained in this Agreement to the contrary, the foregoing is not intended to operate as a release by the Cason Plaintiffs that are members of the Hotel Phase II and Penthouse Phase III limited partnerships (Roman Klaban, William Handley, and Charmaine Enslin) of the Receiver Released Parties with respect to other distributions to be made by the Receiver in the SEC Action; for the avoidance of doubt, those three (3) plaintiffs in the Cason Action only (again, Roman Klaban, William Handley, and Charmaine Enslin) hereby preserve their rights to continue to be eligible to receive distributions by the Receiver in the SEC Action, subject to approval by the District Court in the SEC Action. Finally, notwithstanding anything contained in this Section 5(c) or elsewhere contained in this Agreement to the contrary, the foregoing is not intended to release, nor shall it have the effect of releasing, any person other than the Receiver Released Parties in any manner whatsoever; for the avoidance of doubt and not

by way of limitation, the Cason Released Parties and the Attorney Released Parties expressly preserve all claims and causes of action they may have against any other person or entity.

**6. STAY AND DISMISSAL OF ACTIONS**

a. **Stay of Cason Action.** Within three (3) days of the Execution Date, the Cason Plaintiffs shall file a motion to stay the Cason Action with the District Court in the Cason Action.

b. **Dismissal of Cason Action.** Within ten (10) days after the Bar Order becomes Final, the Cason Plaintiffs shall dismiss with prejudice all claims in the Cason Action, stating in the stipulation that no party admits to liability or wrongdoing and each party is to bear their own attorney fees and costs.

**7. DISTRIBUTION OF ATTORNEYS' FUND**

a. A portion of the Final Settlement Payment shall be used to compensate the attorneys for prosecuting the Cason Action (the "Attorneys' Fund"). The Attorneys' Fund shall be Two Million Four Hundred and Fifty Thousand Dollars (\$2,450,000.00). The Attorneys' Fund represents the attorneys' fee for achieving the settlement memorialized in this Agreement.

b. The Receiver supports, and the Attorneys agree not to oppose or otherwise object to, the application by counsel for the Cason Plaintiffs in the SEC Action for an award of attorneys' fees (and reimbursement of expenses) in the amount of the Attorneys' Fund, so long as such application is consistent with the terms of this Settlement Agreement. Notwithstanding the foregoing, in the event the District Court in the SEC Action approves an amount to be disbursed from the Attorneys' Fund that is less than the full amount held in the Attorneys' Fund, that difference shall be promptly disbursed to the Receiver for the benefit of the Receivership Estate, subject to the approval by the District Court in the SEC Action. The Attorneys' Fund shall be distributed by the Receiver in accordance with the following provisions except to the extent as the District Court in the SEC Action shall otherwise direct:

i. Within thirty (30) days after entry of the Preliminary Approval Order, one counsel representing the Cason Plaintiffs, copying all other counsel representing the Cason Plaintiffs, shall advise the Receiver, in writing, that they have agreed on an allocation of the Attorneys' Fund. If approved by the District Court in the SEC Action, the Receiver shall disburse the Attorneys' Fund in accordance with that allocation.

ii. If counsel representing the Cason Plaintiffs are unable to reach agreement as to the allocation of the Attorneys' Fund, they shall file motions for attorneys' fees before the District Court in the SEC Action, and the District Court in the SEC Action shall establish the distribution allocation for the Attorneys' Fund.

iii. Notwithstanding any other provisions in this Agreement, the Receiver shall not disburse any monies held in the Attorneys' Fund until the Preliminary Approval Order and Bar Order are Final, and all claims against Carroll and Scribner have been dismissed with prejudice in the Cason Action.

iv. No counsel for the Cason Plaintiffs shall be entitled to further compensation from the Receivership Estate or the Attorney Released Parties. The Attorneys' Fund shall be sole source of compensation for counsel for the Cason Plaintiffs; they shall not be entitled to further funds from the Receivership Estate or the Attorney Released Parties.

v. The resolution of the distribution of the Attorneys' Fund shall have no impact on the other terms of this Agreement. All other terms of this Agreement shall remain in full force and effect irrespective of any issues regarding the allocation or distribution of the Attorneys' Fund and irrespective of any decision by the District Court in the SEC Action regarding the allocation or disbursement of the Attorneys' Fund.

## **8. REVERSAL, VACATION OR MODIFICATION**

a. In the event that the Bar Order is vacated, reversed on appeal, or modified in any manner such that it no longer bars the commencement or continuation of any and all civil actions against the Attorney Released Parties as more fully described in the Bar Order attached hereto, then:

i. The Parties are not bound by the releases set forth in Section 5 of this Agreement.

ii. The Parties shall proceed to litigate their claims as if this Agreement had not been executed.

iii. The Receiver shall return the Settlement Amount (except for the Two Hundred Thousand (\$200,000.00) non-refundable portion of the Initial Settlement Payment) to ALPS Property & Casualty Insurance Company within ten (10) business days of the District Court in the SEC Action refusing to issue the Bar Order, or the Bar Order, after having been issued by the District Court in the SEC Action, is vacated, reversed on appeal, or modified in any manner such that it no longer bars the commencement or continuation of any and all civil actions against the Attorney Released Parties as more fully described in the Bar Order attached hereto.

b. Any and all applicable periods of limitations are hereby tolled as to any claim, counterclaim, crossclaim, and/or defense that the Parties could assert against any other Party. The tolling period shall commence as of the Execution Date of this Agreement and shall continue until ninety (90) days after the District Court in the SEC Action refuses to issue the Bar Order, or the Bar Order, after having been issued by the District Court in the SEC Action, is vacated, reversed on appeal, or modified in any manner such that it no longer bars the commencement or continuation of any and all civil actions against the Attorney Released Parties as more fully described in the Bar Order attached hereto (the "End Date"). This Section is intended to preserve the status quo as to any and all statutes of limitations regarding all of the Parties' claims and defenses from the Execution Date until the End Date.

## **9. REPRESENTATIONS AND WARRANTIES**

a. **Representation and Warranties of the C&S Parties.** The C&S Parties represent and warrant that as of the Effective Date: (a) C&A is (or as C&S, previously was) duly organized, validly existing and in good standing under the laws of the jurisdiction of its

organization with all requisite power and authority to carry on the business in which it is engaged, to own the properties it owns, to execute this Agreement and to consummate the transactions contemplated hereby; (b) they have full requisite power and authority to execute and deliver and to perform their obligations under this Agreement, and the execution, delivery and performance hereof, and the instruments and documents required to be executed by them in connection herewith (i) have been duly and validly authorized by them and (ii) are not in contravention of their organizational documents or any material agreements specifically applicable to them; (c) no proceeding, litigation or adversary proceeding before any court, arbitrator or administrative or governmental body is pending against them which would materially and adversely affect their ability to enter into this Agreement or to perform their obligations hereunder; (d) they will pursue the approval of this Agreement, including entry of the Preliminary Approval Order and the Bar Order, in good faith and using their best efforts; and (e) they will perform the obligations created by this Agreement and cooperate with the Receiver, the Cason Plaintiffs, and the PPEC Parties in good faith regarding this Agreement. In addition, the C&S Parties represent and warrant that, to the best of their knowledge after due diligence: they have one policy of insurance that was or could be available to cover claims which arise directly or indirectly from the Attorney Activities; that such policy has been produced to the Receiver and the Cason Plaintiffs; that such policy is a wasting policy in the amount of Two Million Dollars (\$2,000,000.00), subject to applicable provisions concerning the depletion of such policy; that such policy has been depleted by approximately \$400,000.00, and continues to be depleted.

b. **Representation and Warranties of the PPEC Parties.** The PPEC Parties represent and warrant that as of the Execution Date: (a) PPEC is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization with all requisite power and authority to carry on the business in which it is engaged; (b) they have full requisite power and authority to execute and deliver and to perform their obligations under this Agreement, and the execution, delivery and performance hereof, and the instruments and documents required to be executed by them in connection herewith (i) have been duly and validly authorized by them and (ii) are not in contravention of their organizational documents or any material agreements specifically applicable to them; (c) no proceeding, litigation or adversary proceeding before any court, arbitrator or administrative or governmental body is pending against them which would materially and adversely affect their ability to enter into this Agreement or to perform their obligations hereunder; (d) they will pursue the approval of this Agreement, including entry of the Preliminary Approval Order and the Bar Order, in good faith and using their best efforts; and (e) they will perform the obligations created by this Agreement and cooperate with the Receiver, the Cason Plaintiffs, and the C&S Parties in good faith regarding this Agreement. In addition, PPEC represents and warrants that, to the best of its knowledge after due diligence: it has one policy of insurance that was or could be available to cover claims which arise directly or indirectly from the Attorney Activities; that such policy has been produced to the Receiver and the Cason Plaintiffs; that such policy is a wasting policy in the amount of Ten Million Dollars (\$10,000,000.00), subject to applicable provisions concerning depletion of such policy; that such policy has been depleted by approximately \$1,000,000.00, and continues to be depleted.

c. **Representation and Warranties of the Receiver.** The Receiver hereby represents and warrants that as of the Execution Date: (a) subject to the entry of the Preliminary Approval Order and Bar Order, he has the power and authority to bind the applicable Receivership Entities to the terms of this Agreement or otherwise has been duly authorized to execute and deliver

this Agreement on their behalf; (b) the Receiver will pursue the approval of this Agreement, including entry of the Preliminary Approval Order and the Bar Order, in good faith and using his best efforts; and (c) he will perform the obligations created by this Agreement and cooperate with the Attorneys and the Cason Plaintiffs in good faith regarding this Agreement.

d. **Representation and Warranties of the Cason Plaintiffs.** The Cason Plaintiffs hereby represent and warrant that as of the Execution Date: (a) they are authorized to enter into this Agreement; (b) they will pursue the approval of this Agreement, including entry of the Preliminary Approval Order and the Bar Order, in good faith and using their best efforts; and (c) they will perform the obligations created by this Agreement and cooperate with the Receiver and the Attorneys in good faith regarding this Agreement.

## 10. **COVENANTS, INDEMNIFICATION, AND RESERVE**

a. **Covenants of the Attorneys.** The Attorneys hereby covenant and agree that they shall provide all cooperation reasonably necessary to obtain (and shall take no action to impede or preclude) the entry of the Preliminary Approval Order and Bar Order and the implementation of this Agreement.

### b. **Covenants, and Post-Closing Responsibilities, of the Receiver.**

i. The Receiver, for himself and, as applicable, on behalf of the Receivership Entities, hereby covenants and agrees that he shall take, and shall cause the Receivership Entities to take, all actions reasonably necessary to obtain (and shall take no action to impede or preclude) the entry of the Preliminary Approval Order and the Bar Order and the implementation of this Agreement, including, without limitation, performing the obligations set forth in Section 4 of this Agreement.

ii. The Receiver, for himself and on behalf of the Receivership Entities, hereby covenants and agrees that he shall take, and shall cause the Receivership Entities to take, all actions reasonably necessary to enforce and carry out the Preliminary Approval Order, the Bar Order, and this Agreement, including all reasonable requests by the Attorneys to enforce the Preliminary Approval Order, Bar Order, and this Agreement. For the avoidance of doubt, it shall be the Receiver and his professionals who will seek enforcement of the Bar Order in the event any person or entity brings or seeks to bring a claim against any of the Attorney Released Parties that may be prohibited by, or in violation of, the Bar Order. The Receiver's obligation to seek enforcement of the Bar Order described in this Section 10(b)(ii) shall continue for the duration of his appointment as the receiver for the Receivership Estate; for the avoidance of doubt and not by way of limitation, the Receiver's obligation to seek enforcement of the Bar Order shall continue irrespective of the Receiver's obligations set forth in Section 10(b)(iii) below.

iii. The Receiver agrees to maintain an escrow reserve from the Settlement Amount of One Million Two Hundred Fifty Thousand Dollars (\$1,250,000.00). One Million Dollars (\$1,000,000.00) shall be held until April 30, 2022 for the benefit of the PPEC Parties. Two Hundred Fifty Thousand Dollars (\$250,000.00) shall be held until one (1) year after the Bar Order becomes Final to reimburse the C&S Parties up to Twenty Thousand Dollars (\$20,000.00) for attorneys' fees and expenses that may be incurred by them monitoring the



Receiver's efforts to seek enforcement of the Bar Order should anyone at any time in any jurisdiction seek to bring a claim against the C&S Parties that may be prohibited by or may be in violation of the Bar Order. The PPEC Parties shall likewise be entitled to be reimbursed up to Twenty Thousand Dollars (\$20,000.00) for attorneys' fees and expenses that may be incurred by them monitoring the Receiver's efforts to seek enforcement of the Bar Order should anyone at any time in any jurisdiction seek to bring a claim against the PPEC Parties that may be prohibited by or may be in violation of the Bar Order. The Parties agree that the Receiver can draw down and reduce the One Million Dollar (\$1,000,000.00) portion of the escrow reserve by Two Hundred Fifty Thousand Dollars (\$250,000.00) every six (6) months after the Bar Order becomes Final. The Receiver has agreed, at the expense of the Receivership Estate, up to the amount held in escrow, to hold the Attorney Released Parties harmless, and to indemnify and defend the Attorney Released Parties, from and against any and all judgments, claims, or liabilities arising from or related in any manner to any person or entity who brings or seeks to bring a claim against any of the Attorney Released Parties that may be prohibited by, or in violation of, the Bar Order.

c. **Covenants of the Cason Plaintiffs.** The Cason Plaintiffs hereby covenant and agree that they shall not object to and shall take all actions reasonably necessary to obtain (and shall take no action to impede or preclude) the entry of the Preliminary Approval Order and the Bar Order and the implementation of this Agreement. The Cason Plaintiffs hereby covenant and agree that they shall take all actions reasonably necessary, as requested by the Receiver or the Attorneys, to enforce and carry out the Preliminary Approval Order, the Bar Order, and this Agreement, including cooperating in any efforts by the Attorneys and the Receiver to enforce the Preliminary Approval Order, the Bar Order, and this Agreement.

## 11. **MISCELLANEOUS**

a. **Amendments.** This Agreement may not be modified, amended or supplemented except by a written agreement executed by the Parties and approved by the District Court in the SEC Action.

b. **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the Parties and their respective heirs, executors, administrators, successors, and assigns, including without limitation upon any successor receiver in the SEC Action, or any trustee, custodian, or other estate representative appointed in a case under title 11 of the United States Code.

c. **No Admission of Liability; No Estoppel Effect.** The execution of this Agreement is not intended to be, nor shall it be construed as, an admission or evidence in any pending or subsequent suit, action, proceeding or dispute of any liability, wrongdoing, or obligation whatsoever (including as to the merits of any claim or defense) by any Party to any other Party or any other person with respect to any of the matters addressed in this Agreement. None of this Agreement, the settlement, or any act performed or document executed pursuant to or in furtherance of this Agreement or the settlement: (i) is or may be deemed to be or may be used as an admission or evidence of the validity of any claim, or any allegation made against the Attorneys; (ii) is or may be deemed to be or may be used as an admission or evidence of any liability, fault or omission of the Attorneys, in any civil, criminal or administrative proceeding in any court, administrative agency or other tribunal; or (iii) is or may be deemed to be or used as

admission or evidence of or have any evidentiary, res judicata, or collateral estoppel effect on the Cason Plaintiffs' or the Receiver's ability to assert claims, as applicable, against any party other than the Attorney Released Parties. None of this Agreement, the settlement, or any act performed or document executed pursuant to or in furtherance of this Agreement or the settlement shall be admissible in any proceeding for any purposes, except in the SEC Action, and except that the Receiver and the Attorney Released Parties may file this Agreement in any action for any purpose, including but not limited to enforce the Bar Order or to support a defense or counterclaim based on the principles of res judicata, collateral estoppel, release, good faith settlement, judgment bar or reduction, or any other theory of claim preclusion or issue preclusion, or similar defense or counterclaim.

d. **Good Faith Negotiations.** The Parties further recognize and acknowledge that each of the Parties hereto is represented by counsel, and such Party received independent legal advice with respect to the advisability of entering into this Agreement. Each of the Parties acknowledges that the negotiations leading up to this Agreement were conducted regularly, at arm's length, and in good faith; this Agreement is made and executed by and of each Party's own free will; that each Party knows all of the relevant facts and his or its rights in connection therewith; and that he or it has not been improperly influenced or induced to make this settlement as a result of any act or action on the part of any party or employee, agent, attorney or representative of any Party to this Agreement. The Parties further acknowledge that they entered into this Agreement because of their desire to avoid the further expense and inconvenience of the Cason Action, the Receiver's potential claims, and the Attorneys' potential claims, and to compromise permanently and settle the claims and potential claims between the Parties that are settled by this Agreement.

e. **Third Party Beneficiaries.** Nothing in this Agreement, express or implied, is intended or shall be construed to confer upon, or to give to, any person other than the signatories hereto and the "Released Parties" defined in Section 5 any right, remedy or claim under or by reason of this Agreement or any covenant, condition or stipulation thereof, and the covenants, stipulations and agreements contained in this Agreement are and shall be for the sole and exclusive benefit of the signatories hereto, the "Released Parties" defined in Section 5, and their respective successors and assigns. For the avoidance of doubt, only the signatories hereto and the beneficiaries hereof may seek to enforce this Agreement.

f. **Governing Law; Retention of Jurisdiction; Service of Process.** This Agreement shall be governed by and construed in accordance with the federal law, and, to the extent not applicable, with the internal laws of the State of Florida, without giving effect to any principles of conflicts of law, except as may apply to the Cason Action to obtain dismissal of that lawsuit in the United States District Court for the District of Vermont. By its execution and delivery of this Agreement, each of the Parties hereby irrevocably and unconditionally agrees that any legal action, suit or proceeding between the Parties with respect to any matter under or arising out of or in connection with this Agreement or for recognition or enforcement of any judgment rendered in any such action, suit or proceeding, shall be brought in the District Court for the Southern District of Florida, Miami Division, before the District Court Judge presiding over the SEC Action, and by execution and delivery of this Agreement, each Party hereby irrevocably accepts and submits itself to the jurisdiction of such court, generally and unconditionally, with respect to any such action, suit or proceeding. In the event any such action, suit or proceeding is commenced, the Parties hereby agree and consent that service of process may be made, and

personal jurisdiction over any Party in any such action, suit or proceeding, may be obtained, by service of a copy of the summons, complaint and other pleadings required to commence such action, suit or proceeding upon the Party at the address set forth in Section 11(k) below.

g. **Entire Agreement.** This Agreement constitutes the full and entire agreement among the Parties with regard to the subject hereof, and supersedes all prior negotiations, representations, promises or warranties (oral or otherwise) made by any Party with respect to the subject matter hereof. No Party has entered into this Agreement in reliance on any other Party's prior representation, promise or warranty (oral or otherwise), except for those that may be expressly set forth in this Agreement.

h. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original copy of this Agreement and all of which, when taken together, shall constitute one and the same Agreement. Copies of executed counterparts transmitted by telecopy or other electronic transmission service shall be considered original executed counterparts, provided receipt of copies of such counterparts is confirmed.

i. **Not Severable.** If any portion of this Agreement is held to be prohibited, invalid, or unenforceable, then – other than the exceptions identified in the second sentence of this Section 11(i) – the Settlement Agreement as a whole shall be deemed invalid and unenforceable and shall not be binding on the Parties. The only exceptions to this Section 11(i) are: the Attorneys' Fund enumerated in Section 7 of this Agreement, the resolution of which shall have no impact on the other terms of this Agreement; the Receiver's obligations provided in Section 8(a)(iii) of this Agreement, which shall survive the termination of this Agreement; the tolling agreements contained in Section 8(b) of this Agreement, which shall survive the termination of this Agreement; and the provisions of Section 11(c) of this Agreement, which shall survive the termination of this Agreement.

j. **Non-disparagement.** The Cason Plaintiffs and the Receiver agree that they shall not, and no one vested to act, speak, or write on their behalf will, disparage the Attorney Released Parties or their respective professional reputations. The Attorneys agree that they shall not, and no one vested to speak on their behalf will, disparage the Cason Plaintiffs or their counsel, the Receiver or his counsel, or their professional reputations. This prohibition includes posting on any social media platform or website including, but not limited to, Facebook, Twitter, Instagram, Tumblr, LinkedIn, WhatsApp, Snapchat, Pinterest, Reddit, and YouTube.

k. **Notices.** Any notice required or permitted to be provided under this Agreement shall be in writing and served by electronic mail and either (a) certified mail, return receipt requested, postage prepaid, (b) hand delivery, or (c) reputable overnight delivery service, freight prepaid, to be addressed as follows:

If to the Receiver, to:

Michael I. Goldberg, Esq.  
Akerman LLP  
The Main Las Olas  
201 East Las Olas Boulevard  
Suite 1800  
Fort Lauderdale, FL 33301  
Tel: (954) 468-2444  
Fax: (954) 463-2224  
Email: michael.goldberg@akerman.com

with a copy to:

Jeffrey C. Schneider, Esq.  
Levine Kellogg Lehman Schneider + Grossman LLP  
201 S. Biscayne Blvd.  
22<sup>nd</sup> Floor  
Miami, FL 33131  
Tel: (305) 403-8788  
Fax: (305) 403-8789  
Email: jcs@lklsg.com

If to the C&S Parties, to:

Andrew H. Maass, Esq.  
Ryan Smith & Carbine Ltd.  
98 Merchants Row  
P.O. Box 310  
Rutland, VT 05702  
Tel: (802) 786-1028  
Fax: (802) 786-1128  
Email: ahm@rsclaw.com

If to Scribner, to:

Christopher D. Ekman, Esq.  
William L. Gagnon, Esq.  
Heilmann, Ekman, Cooley & Gagnon, Inc.  
231 South Union Street  
P.O. Box 216  
Burlington, VT 05402  
Tel: (802) 864-4555  
Fax: (802) 864-4659  
Email: cekman@healaw.com  
Email: wgagnon@healaw.com

If to PPEC, to:

Robert B. Hemley, Esq.  
Daniel J. Martin, Esq.  
Gravel & Shea PC  
76 St. Paul Street  
7<sup>th</sup> Floor  
Burlington, VT 05401  
Tel: (802) 658-0220  
Fax: (802) 658-1456  
Email: rhemley@gravelshea.com  
Email: dmartin@gravelshea.com

If to the Cason Plaintiffs, to:

Russell D. Barr, Esq.  
Barr Law Group  
125 Mountain Road  
Stowe, VT 05672  
Tel: (802) 253-6272  
Fax: (802) 253-6055  
Email: russ@barrlaw.com

and:

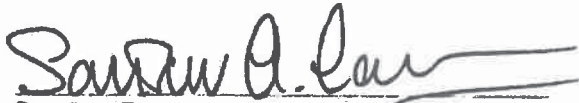
Louis D. D'Agostino, Esq.  
Cheffy Passidomo  
821 Fifth Avenue South  
Naples, FL 34102  
Tel: (239) 261-9300  
Email: lddagostino@napleslaw.com

and:

Sara E. Hanley, Esq.  
Hanley Law  
365 Fifth Avenue South  
Suite 202  
Naples, FL 34102  
Tel: (239) 649-0050  
Email: hanley@finralawyer.org

1. **Further Assurances.** Each of the Parties agrees to execute and deliver, or to cause to be executed and delivered, all such instruments, and to take all such action as the other Parties may reasonably request in order to effectuate the intent and purposes of, and to carry out the terms of, this Agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the latest date set forth below.



**Sandra Cason, as Executrix of the Estate of Armando Cason**

Dated: 12/5/2020

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**Sandra Chau**

Dated:

---

**Robert Connors**

Dated:

---

**Fernando De Salvidea**

Dated:

---

**Carlos Duarte**

Dated:

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**John Duthoit**

Dated:

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the latest date set forth below.

\_\_\_\_\_  
**Sandra Cason, as Executrix of the Estate of  
Armando Cason**

Dated:

  
\_\_\_\_\_  
**Sandra Chau**

Dated: Dec 2, 2020

\_\_\_\_\_  
**Robert Connors**

Dated:

\_\_\_\_\_  
**Fernando De Salvidea**

Dated:

\_\_\_\_\_  
**Carlos Duarte**

Dated:

\_\_\_\_\_  
**John Duthoit**

Dated:





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\_\_\_\_\_  
**Sandra Cason, as Executrix of the Estate of Armando Cason**

Dated:

\_\_\_\_\_  
**Sandra Chau**

Dated:

\_\_\_\_\_  
**Robert Connors**

Dated:

  
\_\_\_\_\_  
**Fernando De Salvidea**

Dated: 12/07/2020

\_\_\_\_\_  
**Carlos Duarte**

Dated:

\_\_\_\_\_  
**John Duthoit**

Dated:

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the latest date set forth below.

\_\_\_\_\_  
**Sandra Cason, as Executrix of the Estate of  
Armando Cason**

Dated:

\_\_\_\_\_  
**Sandra Chau**

Dated:

\_\_\_\_\_  
**Robert Connors**

Dated:

\_\_\_\_\_  
**Fernando De Salvidea**

Dated:



\_\_\_\_\_  
**Carlos Duarte**

Dated: 12/6/20

\_\_\_\_\_  
**John Duthoit**

Dated:

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the latest date set forth below.

\_\_\_\_\_  
**Sandra Cason, as Executrix of the Estate of Armando Cason**

Dated:

\_\_\_\_\_  
**Sandra Chau**

Dated:

\_\_\_\_\_  
**Robert Connors**

Dated:

\_\_\_\_\_  
**Fernando De Salvidea**

Dated:

\_\_\_\_\_  
**Carlos Duarte**

Dated:

  
\_\_\_\_\_  
**John Duthoit**

Dated: 12/2/2020



**Charmaine Enslin**

Dated: 12/7/2020

**Natalie Faldo**

Dated:

**William Handley**

Dated:

**Clarissa Hobden**

Dated:

**Daniel Khabbazi**

Dated:

**Roman Klaban**

Dated:

**Roland Lanctot**

Dated:

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**Charmaine Enslin**

Dated:

*N. Faldo*

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**Natalie Faldo**

Dated: *Dec 2<sup>nd</sup> 2020*

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**William Handley**

Dated:

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**Clarissa Hobden**

Dated:

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**Daniel Khabbazi**

Dated:

---

**Roman Klaban**

Dated:

---

**Roland Lanctot**

Dated:

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**Charmaine Eudfin**

Dated:

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**Natalie Fialdo**

Dated:



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**William Handley**

Dated: December 3<sup>rd</sup> 2020

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**Charissa Holden**

Dated:

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**David Khabbazi**

Dated:

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**Rouss Klabon**

Dated:

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**Roland L. Lantieri**

Dated:

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**Charmaine Enslin**

Dated:

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**Natalie Faldo**

Dated:

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**William Handley**

Dated:

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*Clarissa Hobden*  
**Clarissa Hobden**

Dated: 12/7/2020

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**Daniel Khabbazi**

Dated:

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**Roman Klaban**

Dated:

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**Roland Lanctot**

Dated:

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**Charmaine Enslin**

Dated:

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**Natalie Faldo**

Dated:

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**William Handley**

Dated:

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**Clarissa Hobden**

Dated:

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**Daniel Khabbazi**

Dated: 12/2/20

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**Roman Klaban**

Dated:

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**Roland Lanctot**

Dated:



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**Charmaine Enstin**

Dated:

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**Natalie Faldo**

Dated:

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**William Handley**

Dated:

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**Clarissa Hobden**

Dated:

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**Daniel Khabbazi**

Dated:



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**Roman Klaban**

Dated: 12/04/2020

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**Roland Lanctot**

Dated:

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**Charmaine Enslin**

Dated:

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**Natalie Faldo**

Dated:

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**William Handley**

Dated:

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**Clarissa Hobden**

Dated:

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**Daniel Khabbazi**

Dated:

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**Roman Klaban**

Dated:



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**Roland Lancrot**

Dated:



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**David Malcher**

Dated: 12/07/2020

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**Angela Mann**

Dated:

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**Christopher Mercer**

Dated:

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**Lakshman Paldi**

Dated:

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**Eshghi Parviz**

Dated:

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**Chandrasekhar Penmasani**

Dated:

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**David Malcher**

Dated:



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**Angela Mann**

Dated:

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**Christopher Mercer**

Dated:

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**Lakshman Paidi**

Dated:

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**Eshaghi Parviz**

Dated:

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**Chandrasekhar Pemmasani**

Dated:

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**David Malcher**

Dated:

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**Angela Mann**

Dated:



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**Christopher Mercer**

Dated: *Jan DECEMBER 2020*

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**Lakshman Paidi**

Dated:

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**Eshaghi Parviz**

Dated:

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**Chandrasekhar Pemmasani**

Dated:

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**David Malcher**

Dated:

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**Angela Mann**

Dated:

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**Christopher Mercer**

Dated:



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**Lakshman Paidi**

Dated: December 7, 2020

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**Eshaghi Parviz**

Dated:

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**Chandrasekhar Pemmasani**

Dated:

\_\_\_\_\_  
**David Malcher**

Dated:

\_\_\_\_\_  
**Angela Mann**

Dated:

\_\_\_\_\_  
**Christopher Mercer**

Dated:

\_\_\_\_\_  
**Lakshman Paidi**

Dated: 12, 5, 20

A handwritten signature in black ink, appearing to read "Lakshman Paidi", written over a horizontal line.

\_\_\_\_\_  
**Eshaghi Parviz**

Dated:

\_\_\_\_\_  
**Chandrasekhar Pemmasani**

Dated:

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**David Malcher**

Dated:

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**Angela Mann**

Dated:

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**Christopher Mercer**

Dated:

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**Lakshman Paidi**

Dated:

---

**Eshaghi Parviz**

Dated:

---

**Chandrasekhar Pemmasani**

Dated:

12/2/2020





**Gareth Ferry**

Dated: 12/2/2020

---

**Peter Poulsen**

Dated:

---

**Maurice Price**

Dated:

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**Jorge Salas**

Dated:

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**Antony Sutton**

Dated:

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**Caroline Waters**

Dated:

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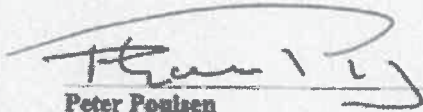
**Edward J. Carroll, Esq.**

Dated:

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**Gareth Perry**

Dated:



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**Peter Poulsen**

Dated: 12/08/2020

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**Maurice Price**

Dated:

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**Jorge Salas**

Dated:

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**Antony Sutton**

Dated:

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**Caroline Waters**

Dated:

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**Edward J. Carroll, Esq.**

Dated:

**Gareth Perry**

Dated:

**Peter Poulsen**

Dated:

**Maurice Price**

Dated: 3<sup>rd</sup> DECEMBER 2020



**Jorge Salas**

Dated:

**Antony Sutton**

Dated:

**Caroline Waters**

Dated:

**Edward J. Carroll, Esq.**

Dated:

---

**Gareth Perry**

Dated:

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**Peter Poulsen**

Dated:

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**Maurice Price**

Dated:



---

**Jorge Salas**

Dated:

12-07-2020

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**Antony Sutton**

Dated:

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**Caroline Waters**

Dated:

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**Edward J. Carroll, Esq.**

Dated:

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**Gareth Perry**

Dated:

---

**Peter Poulsen**

Dated:

---

**Maurice Price**

Dated:

---

**Jorge Salas**

Dated:



---

**Antony Sutton**

Dated: 2nd December 2020

---

**Caroline Waters**

Dated:

---

**Edward J. Carroll, Esq.**

Dated:

SETTLEMENT AGREEMENT

---

**Gareth Perry**

Dated:

---

**Peter Poulsen**

Dated:

---

**Maurice Price**

Dated:

---

**Jorge Salas**

Dated:

---

**Antony Sutton**

Dated:



---

**Caroline Waters**

Dated: 12.2.2020

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**Edward J. Carroll, Esq.**

Dated:

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**Gareth Perry**

Dated:

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**Peter Poulsen**

Dated:

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**Maurice Price**

Dated:

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**Jorge Salas**

Dated:

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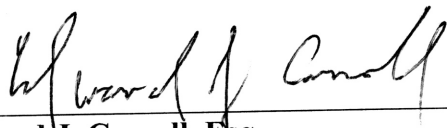
**Antony Sutton**

Dated:

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**Caroline Waters**

Dated:

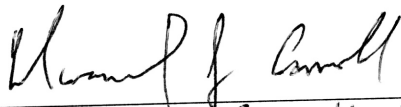


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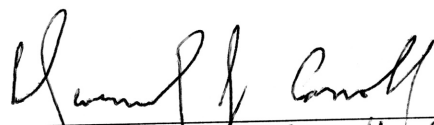
**Edward J. Carroll, Esq.**

Dated: 11/23/20

**Carroll & Scribner, P.C.**

  
By: EDWARD J. CARROLL, DIRECTOR  
Dated: 11/23/20

**Carroll & Associates, P.C.**

  
By: EDWARD J. CARROLL, DIRECTOR  
Dated: 11/23/20

\_\_\_\_\_  
**Mark H. Scribner, Esq.**

Dated:

**Primmer Piper Eggleston & Cramer, P.C.**

\_\_\_\_\_  
By: \_\_\_\_\_

Dated:

\_\_\_\_\_  
**Michael I. Goldberg, not individually,  
but solely in his capacity as Receiver for the  
Receivership Entities**

Dated:



**Carroll & Scribner, P.C.**

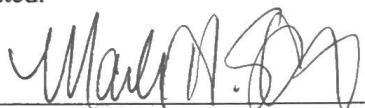
By: \_\_\_\_\_

Dated:

**Carroll & Associates, P.C.**

By: \_\_\_\_\_

Dated:



**Mark H. Scribner, Esq.**

Dated: 12/3/2020

**Primmer Piper Eggleston & Cramer, P.C.**

By: \_\_\_\_\_

Dated:

**Michael I. Goldberg, not individually,  
but solely in his capacity as Receiver for the  
Receivership Entities**

Dated:

**Carroll & Scribner, P.C.**

\_\_\_\_\_  
By: \_\_\_\_\_

Dated:

**Carroll & Associates, P.C.**

\_\_\_\_\_  
By: \_\_\_\_\_

Dated:

\_\_\_\_\_  
**Mark H. Scribner, Esq.**

Dated:

**Primmer Piper Eggleston & Cramer, P.C.**



By: Gary M. Burt

Dated: 12/2/2020

\_\_\_\_\_  
**Michael I. Goldberg, not individually,  
but solely in his capacity as Receiver for the  
Receivership Entities**

Dated:

**Carroll & Scribner, P.C.**

\_\_\_\_\_  
By: \_\_\_\_\_

Dated:

**Carroll & Associates, P.C.**

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By: \_\_\_\_\_

Dated:

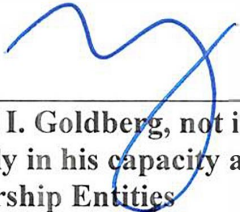
\_\_\_\_\_  
**Mark H. Scribner, Esq.**

Dated:

**Primmer Piper Eggleston & Cramer, P.C.**

\_\_\_\_\_  
By: \_\_\_\_\_

Dated:

  
\_\_\_\_\_  
**Michael I. Goldberg, not individually,  
but solely in his capacity as Receiver for the  
Receivership Entities**

Dated: 12/4/2020

## Schedule A

### (List of Receivership Entities)

Jay Peak, Inc.  
Q Resorts, Inc.  
Jay Peak Hotel Suites L.P.  
Jay Peak Hotel Suites Phase II L.P.  
Jay Peak Management, Inc.  
Jay Peak Penthouse Suites L.P.  
Jay Peak GP Services, Inc.  
Jay Peak Golf and Mountain Suites L.P.  
Jay Peak GP Services Golf, Inc.  
Jay Peak Lodge and Townhouses L.P.  
Jay Peak GP Services Lodge, Inc.  
Jay Peak Hotel Suites Stateside L.P.  
Jay Peak GP Services Stateside, Inc.  
Jay Peak Biomedical Research Park L.P.  
AnC Bio Vermont GP Services, LLC  
AnC Bio VT, LLC<sup>1</sup>  
Q Burke Mountain Resort, Hotel and Conference Center, L.P.  
Q Burke Mountain Resort GP Services, LLC  
Jay Construction Management, Inc.  
GSI of Dade County, Inc.  
North East Contract Services, Inc.  
Q Burke Mountain Resort, LLC

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<sup>1</sup> Also referred to as: AnC Bio Vermont, LLC; AnCBioVT; AnCBio Vermont LLC; AnCBio VT LLC; and AnCBioVermont. See SEC Action, DE #492 and 493.

## INDEX TO EXHIBITS A-C

Exhibit	Identity	Settlement Agreement Para.
A	Preliminary Approval Order	4(b)
B	Approval and Bar Order	4(b)
C	Notice	4(b)

# **EXHIBIT A**

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA**

**CASE NO. 16-CV-21301-GAYLES**

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

ARIEL QUIROS,  
WILLIAM STENGER,  
JAY PEAK, INC.,  
Q RESORTS, INC.,  
JAY PEAK HOTEL SUITES L.P.,  
JAY PEAK HOTEL SUITES PHASE II. L.P.,  
JAY PEAK MANAGEMENT, INC.,  
JAY PEAK PENTHOUSE SUITES, L.P.,  
JAY PEAK GP SERVICES, INC.,  
JAY PEAK GOLF AND MOUNTAIN SUITES L.P.,  
JAY PEAK GP SERVICES GOLF, INC.,  
JAY PEAK LODGE AND TOWNHOUSES L.P.,  
JAY PEAK GP SERVICES LODGE, INC.,  
JAY PEAK HOTEL SUITES STATESIDE L.P.,  
JAY PEAK GP SERVICES STATESIDE, INC.,  
JAY PEAK BIOMEDICAL RESEARCH PARK L.P.,  
AnC BIO VERMONT GP SERVICES, LLC,

Defendants,

JAY CONSTRUCTION MANAGEMENT, INC.,  
GSI OF DADE COUNTY, INC.,  
NORTH EAST CONTRACT SERVICES, INC.,  
Q BURKE MOUNTAIN RESORT, LLC,

Relief Defendants, and

Q BURKE MOUNTAIN RESORT, HOTEL AND  
CONFERENCE CENTER, L.P.,  
Q BURKE MOUNTAIN RESORT GP SERVICES, LLC

Additional Defendants

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**ORDER (I) PRELIMINARILY APPROVING SETTLEMENT  
BETWEEN RECEIVER, CASON PLAINTIFFS, EDWARD J. CARROLL, ESQ. (AND  
HIS LAW FIRMS), AND MARK H. SCRIBNER, ESQ. (AND HIS LAW FIRM);  
(II) APPROVING FORM AND CONTENT OF NOTICE, AND MANNER AND  
METHOD OF SERVICE AND PUBLICATION; (III) SETTING DEADLINE TO  
OBJECT TO APPROVAL OF SETTLEMENT AND ENTRY OF BAR ORDER;  
AND (IV) SCHEDULING A HEARING**

**THIS MATTER** came before the Court upon the Motion for (i) Approval of Settlement between Receiver, Cason Plaintiffs, Edward J. Carroll, Esq. (and His Law Firms), and Mark H. Scribner, Esq. (and His Law Firm); (ii) Approval of Form, Content, and Manner of Notice of Settlement and Bar Order; (iii) Entry of Bar Order; and (iv) Scheduling a Hearing; with Incorporated Memorandum of Law [D.E. \_\_\_\_] (the “Motion”) filed by the Michael I. Goldberg, as the Court-appointed receiver (the “Receiver”) of the entities set forth on Exhibit A to this Order (the “Receivership Entities”) in the above-captioned civil enforcement action (the “SEC Action”). The Motion concerns the Receiver’s request for approval of a proposed settlement between: a group of investors that filed suit in the United States District Court for the District of Vermont (defined below as the “Cason Plaintiffs”); the Receiver; Edward J. Carroll, Esq., (“Carroll”) and his law firms, Carroll & Scribner, P.C., (“C&S”), and Carroll & Associates, P.C. (“C&A” and, together with Carroll and C&S, the “C&S Parties”); Mark H. Scribner, Esq. (“Scribner”) and his law firm, Primmer Piper Eggleston & Cramer, P.C. (“PPEC” and, together with Carroll, C&S, C&A, and Scribner, the “Attorneys”) which is memorialized in the settlement agreement attached to the Motion as Exhibit 1 (the “Settlement Agreement”).

As used in this Order, the “Parties” means the Attorneys, the Receiver, and the Cason Plaintiffs. Terms used but not defined in this Order have the meaning ascribed to them in the Settlement Agreement.



By way of the Motion, the Receiver seeks an order preliminarily approving the Settlement Agreement and establishing procedures to provide notice of the settlement and an opportunity to object, setting a deadline to object, and scheduling a hearing. After reviewing the terms of the Settlement Agreement, reviewing the Motion and its exhibits, and considering the arguments and proffers set forth in the Motion, the Court preliminarily approves the Settlement Agreement and hereby establishes procedures for final approval of the Settlement Agreement and entry of the bar order attached as Exhibit B to the Settlement Agreement (the “Bar Order”) as follows:

- 1. Preliminary Approval.** Based upon the Court’s review of the Settlement Agreement, the Motion and its attachments, and upon the arguments and proffers set forth in the Motion, the Court preliminarily finds that the settlement is fair, adequate and reasonable, is a prudent exercise of the business judgment by the Receiver, and is the product of good faith, arm’s length and non-collusive negotiations between the Cason Plaintiffs, the Attorneys, and the Receiver. The Court, however, reserves a final ruling with respect to the terms of the Settlement Agreement, including the Bar Order, until after the Final Approval Hearing (defined below).
- 2. Notice.** The Court approves the form and content of the notice attached as Exhibit C to the Settlement Agreement (the “Notice”). Service or publication of the Notice in accordance with the manner and method set forth in this paragraph constitutes good and sufficient notice, and is reasonably calculated under the circumstances to notify all interested parties of the Motion, the Settlement Agreement, and the Bar Order, and of their opportunity to object thereto and attend the Final Approval Hearing (defined below) concerning these matters; furnishes all parties in interest a full and fair opportunity to evaluate the settlement and object to the Motion, the Settlement Agreement, the Bar Order, and all matters related

thereto; and complies with all requirements of applicable law, including, without limitation, the Federal Rules of Civil Procedure, the Court's local rules, and the United States Constitution. Accordingly:

a. The Receiver is directed, no later than 10 days after entry of this Order, to cause the Notice in substantially the same form as attached to the Settlement Agreement to be served by first class U.S. mail, postage prepaid to:

- i. all counsel who have appeared of record in the SEC Action;
- ii. all counsel who are known by the Receiver to have appeared of record in any legal proceeding or arbitration commenced by or on behalf of any of the Receivership Entities, or any individual investor or putative class of investors seeking relief against any person or entity relating in any manner to the Receivership Entities or the subject matter of the SEC Action;
- iii. all known investors in each and every one of the Receivership Entities identified in the investor lists in the possession of the Receiver at the addresses set forth therein;
- iv. all known non-investor creditors of each and every one of the Receivership Entities identified after a reasonable search by the Receiver;
- v. all parties to the SEC Action;
- vi. all professionals, financial institutions, and consultants of the Receivership Entities that previously received notice of the Receiver's settlements for which bar orders were requested and issued;
- vii. all owners, officers, directors, and senior management employees of the Receivership Entities that previously received notice of the Receiver's settlements for which bar orders were requested and issued; and
- viii. all other persons or entities that previously received notice of the Receiver's settlements for which bar orders were requested and issued.

b. The Receiver is directed, no later than 10 days after entry of this Order, to cause the Notice in substantially the same form as attached to the Settlement Agreement to be published:

- i. twice a week for three consecutive weeks in each of The Burlington Free Press and Vermont Digger; and
  - ii. on the website maintained by the Receiver in connection with the SEC Action ([www.JayPeakReceivership.com](http://www.JayPeakReceivership.com)).
- c. The Receiver is directed to promptly provide copies of the Motion, the Settlement Agreement, and all exhibits and attachments thereto, to any person who requests such documents via email to Kimberly Smiley at [kimberly.smiley@akerman.com](mailto:kimberly.smiley@akerman.com), or via telephone by calling Ms. Smiley at 954-759-8929. The Receiver may provide such materials in the form and manner that the Receiver deems most appropriate under the circumstances of the request.
- d. The Receiver is directed, no later than 5 days before the Final Approval Hearing (defined below), to file with this Court written evidence of compliance with the subparts of this paragraph, which may be in the form of an affidavit or declaration.

**3. Final Hearing.** The Court will conduct a hearing via Zoom before the Honorable Darrin P. Gayles in the United States District Court for the Southern District of Florida, Wilkie D. Ferguson United States Courthouse, 400 North Miami Avenue, Miami, Florida 33128, in Courtroom 11-1, at \_\_: \_\_.m. on \_\_\_\_\_, 2021 (the “Final Approval Hearing”). The link for the Zoom hearing will be circulated before the Final Approval Hearing. The purposes of the Final Approval Hearing will be to consider final approval of the Settlement Agreement, entry of the Bar Order, and award of attorneys’ fees as described in paragraph 7 of the Settlement Agreement.

**4. Objection Deadline; Objections and Appearances at the Final Approval Hearing.** Any person who objects to the terms of the Settlement Agreement, the Bar Order, the Motion, or any of the relief related to any of the foregoing, must file an objection, in

writing, with the Court pursuant to the Court's Local Rules, no later than thirty (30) days before the Final Approval Hearing. All objections filed with the Court must:

- a. Contain the name, address, telephone number of the person filing the objection or his or her attorney;
- b. Be signed by the person filing the objection, or his or her attorney;
- c. State, in detail, the factual and legal grounds for the objection;
- d. Attach any document the Court should review in considering the objection and ruling on the Motion; and
- e. If the person filing the objection intends to appear at the Final Approval Hearing, make a request to do so.

Subject to the discretion of this Court, no person will be permitted to appear at the Final Approval Hearing without first filing a written objection and requesting to appear at the hearing in accordance with the provisions of this paragraph. Copies of any objections filed must be served by email and regular mail on:

Michael I. Goldberg, Esq.  
Akerman LLP  
The Main Las Olas  
201 East Las Olas Boulevard  
Suite 1800  
Fort Lauderdale, FL 33301  
Tel: (954) 468-2444  
Fax: (954) 463-2224  
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Jeffrey C. Schneider, Esq.  
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201 S. Biscayne Blvd.  
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98 Merchants Row  
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231 South Union Street  
P.O. Box 216  
Burlington, VT 05402  
Tel: (802) 864-4555  
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Robert B. Hemley, Esq.  
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Gravel & Shea PC  
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7<sup>th</sup> Floor  
Burlington, VT 05401  
Tel: (802) 658-0220  
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Email: rhemley@gravelshea.com  
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Russell D. Barr, Esq.  
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Tel: (802) 253-6272  
Fax: (802) 253-6055  
Email: russ@barrlaw.com

Louis D. D'Agostino, Esq.  
Cheffy Passidomo  
821 Fifth Avenue South  
Naples, FL 34102  
Tel: (239) 261-9300  
Email: lddagostino@napleslaw.com

-and-

Sara E. Hanley, Esq.  
Hanley Law  
365 Fifth Avenue South  
Suite 202  
Naples, FL 34102  
Tel: (239) 649-0050  
Email: hanley@finralawyer.org

Any person failing to file an objection by the time and in the manner set forth in this paragraph shall be deemed to have waived the right to object (including any right to appeal) and to appear at the Final Approval Hearing, and such person shall be forever barred from raising such objection in this action or any other action or proceeding, subject to the discretion of this Court.

- 5. Responses to Objections.** Any party to the Settlement Agreement may respond to an objection filed pursuant to this Order by filing a response in the SEC Action. To the extent any person filing an objection cannot be served by the Court's CM/ECF system, a response must be served to the email address provided by that objector, or, if no email address is provided, to the mailing address provided.
- 6. Attorneys' Fees.** As set forth in the Settlement Agreement, within 30 days of the entry of this Order, all attorneys wishing to seek compensation from the Attorneys' Fund (as defined in in paragraph 7 of the Settlement Agreement) for services rendered on behalf of

Cason Plaintiffs must advise the Receiver that they have agreed on an allocation of the Attorneys' Fund. The procedures for distribution of the Attorneys' Fund and for resolution of disputes relating to the Attorneys' Fund set forth in the Settlement Agreement are hereby approved by this Court.

7. **Adjustments Concerning Hearing and Deadlines.** The date, time and place for the Final Approval Hearing, and the deadlines and other requirements in this Order, shall be subject to adjournment, modification or cancellation by the Court without further notice other than that which may be posted by means of the Court's CM/ECF system in the SEC Action. **If no objections are timely filed or if the objections are resolved before the hearing, the Court may cancel the Final Approval Hearing.**
8. **No Admission.** Nothing in this Order or the Settlement Agreement is or shall be construed to be an admission or concession of any violation of any statute or law, of any fault, liability or wrongdoing, or of any infirmity in the claims or defenses of the settling parties with regard to the SEC Action, the Cason Action, or any other case or proceeding.
9. **Jurisdiction.** The Court retains jurisdiction to consider all further matters relating to the Motion or the Settlement Agreement, including, without limitation, entry of an Order finally approving the Settlement Agreement and the Bar Order.

**DONE AND ORDERED** in Chambers at Miami, Florida, this \_\_\_\_ day of \_\_\_\_\_, 2020.

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DARRIN P. GAYLES  
UNITED STATES DISTRICT JUDGE

## Exhibit A

### (List of Receivership Entities)

Jay Peak, Inc.

Q Resorts, Inc.

Jay Peak Hotel Suites L.P.

Jay Peak Hotel Suites Phase II L.P.

Jay Peak Management, Inc.

Jay Peak Penthouse Suites L.P.

Jay Peak GP Services, Inc.

Jay Peak Golf and Mountain Suites L.P.

Jay Peak GP Services Golf, Inc.

Jay Peak Lodge and Townhouses L.P.

Jay Peak GP Services Lodge, Inc.

Jay Peak Hotel Suites Stateside L.P.

Jay Peak GP Services Stateside, Inc.

Jay Peak Biomedical Research Park L.P.

AnC Bio Vermont GP Services, LLC

AnC Bio VT, LLC<sup>1</sup>

Q Burke Mountain Resort, Hotel and Conference Center, L.P.

Q Burke Mountain Resort GP Services, LLC

Jay Construction Management, Inc.

GSI of Dade County, Inc.

North East Contract Services, Inc.

Q Burke Mountain Resort, LLC

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<sup>1</sup> Also referred to as: AnC Bio Vermont, LLC; AnCBioVT; AnCBio Vermont LLC; AnCBio VT LLC; and AnCBioVermont. See SEC Action, DE #492 and 493.



# **EXHIBIT B**

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA

CASE NO.: 16-cv-21301-GAYLES

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

ARIEL QUIROS,  
WILLIAM STENGER,  
JAY PEAK, INC.,  
Q RESORTS, INC.,  
JAY PEAK HOTEL SUITES L.P.,  
JAY PEAK HOTEL SUITES PHASE II. L.P.,  
JAY PEAK MANAGEMENT, INC.,  
JAY PEAK PENTHOUSE SUITES, L.P.,  
JAY PEAK GP SERVICES, INC.,  
JAY PEAK GOLF AND MOUNTAIN SUITES L.P.,  
JAY PEAK GP SERVICES GOLF, INC.,  
JAY PEAK LODGE AND TOWNHOUSES L.P.,  
JAY PEAK GP SERVICES LODGE, INC.,  
JAY PEAK HOTEL SUITES STATESIDE L.P.,  
JAY PEAK GP SERVICES STATESIDE, INC.,  
JAY PEAK BIOMEDICAL RESEARCH PARK L.P.,  
AnC BIO VERMONT GP SERVICES, LLC,

Defendants,

JAY CONSTRUCTION MANAGEMENT, INC.,  
GSI OF DADE COUNTY, INC.,  
NORTH EAST CONTRACT SERVICES, INC.,  
Q BURKE MOUNTAIN RESORT, LLC,

Relief Defendants, and

Q BURKE MOUNTAIN RESORT, HOTEL AND  
CONFERENCE CENTER, L.P.,  
Q BURKE MOUNTAIN RESORT GP SERVICES, LLC

Additional Defendants

\_\_\_\_\_ /

**FINAL ORDER (I) APPROVING SETTLEMENT BETWEEN RECEIVER, CASON  
PLAINTIFFS, EDWARD J. CARROLL, ESQ. (AND HIS LAW FIRMS), AND MARK H.  
SCRIBNER, ESQ. (AND HIS LAW FIRM); AND (II) BARRING, RESTRAINING, AND  
ENJOINING CLAIMS AGAINST EDWARD J. CARROLL, ESQ.  
(AND HIS LAW FIRMS) AND MARK H. SCRIBNER, ESQ. (AND HIS LAW FIRM)**

**THIS MATTER** came before the Court on the Motion for (i) Approval of Settlement between Receiver, Cason Plaintiffs, Edward J. Carroll, Esq. (and His Law Firms), and Mark H. Scribner, Esq. (and His Law Firm); (ii) Approval of Form, Content, and Manner of Notice of Settlement and Bar Order; (iii) Entry of Bar Order; and (iv) Scheduling a Hearing; with Incorporated Memorandum of Law [D.E. \_\_\_\_] (the “**Motion**”) filed by Michael I. Goldberg, as the Court-appointed receiver (the “**Receiver**”) of the entities set forth on Exhibit A to this Order (the “**Receivership Entities**”) in the above-captioned civil enforcement action (the “**SEC Action**”). Pursuant to this Court’s Order (I) preliminarily approving settlement between Receiver, Cason Plaintiffs, Edward J. Carroll, Esq. (and His Law Firms), and Mark H. Scribner, Esq. (and His Law Firm); (II) approving form and content of notice, and manner and method of service and publication; (III) setting deadline to object to approval of settlement and entry of bar order; and (IV) scheduling a hearing [D.E. \_\_\_\_] (the “**Preliminary Approval Order**”), the Court held a hearing on \_\_\_\_\_, 2021 to consider the Motion and hear objections, if any.

By way of the Motion, the Receiver requests final approval of a proposed settlement between: a group of investors that filed the amended complaint in the litigation in the United States District Court for the District of Vermont captioned *Cason, et al. v. Edward Carroll, Esq. and Mark Scribner, Esq.*, Case No. 2:18-cv-40 (the “**Cason Action**”), Sandra Cason as Executrix of the Estate of Armando Cason, Sandra Chau, Robert Connors, Fernando De Salvidea, Carlos Duarte, John Duthoit, Charmaine Enslin, Natalie Faldo, William Handley, Clarissa Hobden, Daniel Khabbazi, Roman Klaban, Roland Lanctot, David Malcher, Angela Mann, Christopher Mercer, Lakshman Paidi, Eshaghi Parviz, Chandrasekhar Pemmasani, Gareth Perry, Peter Poulsen, Maurice Price, Jorge Salas, Antony Sutton, and Caroline Waters (collectively, the “**Cason Plaintiffs**”); the Receiver; Edward J. Carroll, Esq. (“**Carroll**”), and his law firms, Carroll &

Scribner, P.C. (“**C&S**”), Carroll & Associates, P.C. (“**C&A**”); and Mark H. Scribner, Esq., (“**Scribner**”) and his law firm, Primmer Piper Eggleston & Cramer, P.C. (“**PPEC**”) and, together with Carroll, C&S, C&A, and Scribner, the “**Attorneys**”). The settlement is memorialized in the settlement agreement attached to the Motion as Exhibit 1 (the “**Settlement Agreement**”). As used in this Order, the “**Settling Parties**” means the Attorneys, the Receiver, and the Cason Plaintiffs. Defined terms used but not defined in this Order have the meaning ascribed to them in the Settlement Agreement.

By way of the Motion, the Receiver requests entry of a bar order (the “**Bar Order**”) permanently barring, restraining and enjoining any person or entity from pursuing claims against any of the Attorney Released Parties (as defined below) relating to the events and occurrences underlying the claims in the SEC Action or any of the other EB-5 Actions,<sup>1</sup> relating to any of the Receivership Entities, or which arise directly or indirectly in any manner whatsoever from the Attorneys’ activities, omissions, services or counsel in connection with the Receivership Entities, the Jay Peak Resort, AnC Bio, or the Burke Mountain Hotel (the “**Attorney Activities**”) by any person or entity (other than federal or state governmental bodies or agencies), including but not limited to claims by on behalf of any Investor (as defined below), by the Receiver, by the Receivership Entities (including their past and present general partners, owners, shareholders, officers, and directors), or by any current or former clients of the Attorneys.

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<sup>1</sup> As used in this Order, the “**EB-5 Actions**” means: the SEC Action; the Cason Action; *Qureshi v. People’s United Bank*, Case No. 2:18-CV-00163-CR (D. Vt.); *Sutton v. Vermont Regional Center*, Case No. 100-5-17 Lecv (Vt. Sup. Ct.); *Wang v. Shen*, Case No. 2:17-CV-00153 (D. Vt.); *Goldberg v. Kelly*, Case No. 0:17-CV-62157 (S.D. Fla.); *Goldberg v. Mitchell Silberberg & Knupp, LLP*, Case No. 1:19-CV-21862 (S.D. Fla.); *Goldberg v. McAleenan*, Case No. 1:19-CV-24753 (S.D. Fla.); *Goldberg v. McAleenan*, Case No. 1:19-CV-24746 (S.D. Fla.); *Goldberg v. Saint-Sauveur Valley Resorts, Inc.*, Case No. 2:17-CV-00061 (D. Vt.); *Quiros v. Ironshore Indemnity, Inc.*, Case No. 1:16-CV-25073 (S.D. Fla.); and *Raymond James Financial, Inc. v. Federal Insurance Company*, Case No. 1:20-CV-21707 (S.D. Fla.).

The Court's Preliminary Approval Order preliminarily approved the Settlement Agreement, approved the form and content of the Notice, and set forth procedures for the manner and method of service and publication of the Notice to all affected parties, including all foreign investors who invested in certain limited partnerships under the federally-created EB-5 visa programs known as Suites Phase I, Hotel Phase II, Penthouse Phase III, Golf and Mountain Phase IV, Lodge and Townhouses Phase V, Stateside Phase VI, Biomedical Phase VII, AnC Bio Phase VII, and/or Q Burke Phase VIII (collectively, "**Investors**"). The Preliminary Approval Order and related documents were served on all identifiable interested parties and publicized in an effort to reach any unidentified persons.

The Preliminary Approval Order set a deadline for affected parties to object to the Settlement Agreement or the Bar Order, and scheduled the hearing for consideration of such objections, as well as the Settling Parties' argument and evidence in support of the Settlement Agreement and the Bar Order. That deadline has passed, and Objections were filed at D.E. Nos. \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_.

The Receiver filed a declaration with the Court in which he detailed his compliance with the notice and publication requirements contained in the Preliminary Approval Order [D.E. No. \_\_\_\_] (the "**Declaration**").

This Court is fully advised of the issues in the various actions, as it has previously received evidence and heard argument concerning the events, circumstances, and transactions in the SEC Action, which resulted in the appointment of the Receiver and the issuance of the Preliminary Injunction [D.E. No. 238], the Permanent Injunction [D.E. No. 260], and the Asset Freeze Order [D.E. No. 11]. In addition, the Court has read and considered the Motion, the Settlement

Agreement, other relevant filings of record, and the arguments and evidence presented at the hearing; therefore, the Court **FINDS AND DETERMINES** as follows:

A. The Court has jurisdiction over the subject matter, including, without limitation, jurisdiction to consider the Motion, the Settlement Agreement, and the Bar Order, and authority to grant the Motion, approve the Settlement Agreement, enter the Bar Order, and award attorneys' fees. *See* 28 U.S.C. § 1651; *SEC v. Kaleta*, 530 Fed. Appx. 360 (5th Cir. 2013) (affirming approval of settlement and entry of bar order in equity receivership commenced in a civil enforcement action). *See also Matter of Munford, Inc.*, 97 F.3d 449 (11th Cir. 1996) (approving settlement and bar order in a bankruptcy case); *In re U.S. Oil and Gas Lit.*, 967 F.2d 480 (11th Cir. 1992) (approving settlement and bar order in a class action).

B. The service or publication of the Notice as described in the Receiver's Declaration is consistent with the Preliminary Approval Order, constitutes good and sufficient notice, and was reasonably calculated under the circumstances to notify all affected persons of the Motion, the Settlement Agreement and the Bar Order, and of their opportunity to object thereto, of the deadline for objections, and of their opportunity to appear and be heard at the hearing concerning these matters. Accordingly, all affected parties were furnished a full and fair opportunity to object to the Motion, the Settlement Agreement, the Bar Order and all matters related thereto and to be heard at the hearing; therefore, the service and publication of the Notice complied with all requirements of applicable law, including, without limitation, the Federal Rules of Civil Procedure, the Court's local rules, and the due process requirements of the United States Constitution.

C. The Court has allowed any Investors, objectors, and parties to the SEC Action to be heard if they desired to participate. Each of these persons or entities has standing to be heard on these issues.

D. The Settling Parties negotiated over a period of several months; their negotiations included the exchange and review of documents, numerous depositions, and many telephone conferences; and a mediation by Zoom also occurred, at which counsel for several of the Settling Parties were present.

E. The Settlement Agreement was entered into in good faith, is at arm's length, and is not collusive.

- i. The claims the Cason Plaintiffs brought against Carroll and Scribner involve disputed facts and issues of law that would require substantial time and expense to litigate, with significant uncertainty as to the outcome of such litigation, the measurement of damages, the allocation of benefits to each plaintiff, and any ensuing appeal. Such litigation is costly and burdensome, involves complex transactions, multiple witnesses in multiple fora, and substantial legal arguments.
- ii. The Receiver has diligently investigated all claims he believes he could have brought against the Attorneys, including potential claims arising from or related to legal services provided to the Receivership Entities by the Attorneys. The Receiver's investigation revealed that the Receiver's potential claims against the Attorneys involve disputed facts that would require substantial time and expense to litigate, with significant uncertainty as to the outcome of such litigation and any ensuing appeal. The Attorneys dispute the factual and legal bases of any such claims, and have indicated their intention to defend any such claims vigorously.
- iii. The Attorneys provided legal services to certain of the Receivership Entities before the SEC Action was filed. Following his appointment, the Receiver engaged some of the Attorneys to provide additional legal services to certain of the Receivership Entities. Over \$50,000 billed to the Receivership Entities by the Attorneys – including amounts billed for services requested by the Receiver – remains unpaid. Additionally, certain of the Receivership Entities may have pre-receivership contractual obligations to indemnify the Attorneys for attorneys' fees and costs incurred in connection with Cason Action and other issues related to the Receivership Entities. To date, these attorneys' fees and costs exceed \$1,400,000. The Receiver disputes the factual and legal bases of any pre-receivership contractual indemnification obligations to the Attorneys.

F. The Settlement Agreement provides for the Attorneys to pay a total amount of Eight Million Dollars (\$8,000,000.00) (the "**Settlement Amount**")—a recovery for the Receivership

Entities of, in net and absolute terms, Five Million Two Hundred Thousand Dollars (\$5,200,000.00)—which permits the Receiver to protect and substantially increase the value of the assets of the Receivership Estate for the remaining Investors. The payment of attorneys’ fees to counsel for the Cason Plaintiffs relieves the Cason Plaintiffs from the obligation to pay attorneys’ fees and costs out of their own recoveries with respect to their claims against Carroll and Scribner.

G. The Receiver will act as disbursing agent for the Settlement Amount. After the Cason Plaintiffs and their counsel receive their share of the recovery from the Settlement Amount, and subject to the escrow obligations provided in the Settlement Agreement, the Receiver will be permitted to distribute the balance to preserve and maximize the value of the assets in the Receivership Entities for the benefit of the remaining Investors and other creditors and stakeholders. Without payment of these portions of the Settlement Amount, the assets of the Receivership Estate could be wasted and have diminished value.

H. The Attorneys have two policies of insurance that were or could be available to cover claims prosecuted or commenced against the Attorneys with respect to the events and occurrences: underlying the claims in the SEC Action and the other EB-5 Actions; relating in any way to any of the Receivership Entities; or which arise directly or indirectly from the Attorney Activities, including but not limited to claims by the Cason Plaintiffs or the Receiver. The policies are “wasting” policies in the amount of Ten Million Dollars (\$10,000,000.00) and Two Million Dollars (\$2,000,000.00),<sup>2</sup> a significant portion of which has been used in connection with the defense of the Cason Action, document requests by the Receiver and Investors, and settlement negotiations that led to the Settlement Agreement. Entry of the Bar Order is necessary to obtain the Settlement Amount, which will help to preserve assets of the Receivership Estate.

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<sup>2</sup> “A ‘wasting’ insurance policy has coverage limits that are reduced as defense costs are incurred.” *Zacarias v. Stanford Int’l Bank, Ltd.*, 945 F.3d 883, 901 n.66 (5th Cir. 2019).



I. The Court finds that the allocations and consideration for each phase of Investors among the Cason Plaintiffs and the Receivership Entities delineated in the Settlement Agreement are fair and reasonable, both individually and as a whole.

J. Based upon the foregoing findings, the Court further finds and determines that entry into the Settlement Agreement is a prudent exercise of business judgment by the Receiver, that the proposed settlement as set forth in the Settlement Agreement is fair, adequate and reasonable, that the interests of all affected persons were fairly and reasonably considered and addressed, and that the Settlement Amount provides a recovery to the Receiver for the benefit of the Receivership Entities and the Investors that is well within the range of reasonableness. *See Sterling v. Stewart*, 158 F.3d 1199 (11th Cir. 1996) (settlement in a receivership may be approved where it is fair, adequate and reasonable, and is not the product of collusion between the settling parties).

K. The Attorneys have expressly conditioned their willingness to enter into the Settlement Agreement, or make the Settlement Amount, on a full and final resolution with respect to any and all claims instituted now or hereafter by any and all of the Barred Persons (as defined below) against any and all of the Attorney Released Parties (as defined below) that relate in any manner whatsoever to the events and occurrences underlying the claims in the EB-5 Actions, the Receivership Entities, or the Attorney Activities (the “Barred Claims,” as more fully defined below). A necessary condition to the Attorneys’ ultimate acceptance of the terms and conditions of the Settlement Agreement is the issuance of the Bar Order. Pursuant to the terms of the Settlement Agreement, entry of the Bar Order is a necessary condition precedent to the payment of the full Settlement Amount.

L. To be clear, the Attorneys are only willing to pay the full Settlement Amount in exchange for finality as to the Barred Claims. The Court finds that the Settling Parties have agreed

to the settlement in good faith and that the Attorneys are paying a fair share of the potential damages for which it is alleged they could be liable, though the Attorneys deny any wrongdoing or liability.

M. The Investors made investments in eight limited partnerships created to meet the requirements of the EB-5 program, through which an investor who invested \$500,000 in a project that created ten or more jobs per investor would be eligible to apply for unconditional, permanent residency in the United States on an expedited basis. The eight limited partnerships into which the investments were made were intended to create economic assets that would operate, generate income, and possibly be sold to return capital.

N. The Cason Plaintiffs invested in Suites Phase I, Hotel Phase II, and Penthouse Phase III. The Cason Action arises from C&S's representation of the Cason Plaintiffs' immigration petitions.

O. The Settlement Amount returns approximately one hundred percent (100%) of the attorneys' fees that certain Cason Plaintiffs paid to C&S, as more specifically delineated in the Settlement Agreement. The Settlement Amount returns approximately fifty percent (50%) of the attorneys' fees that the remaining Cason Plaintiffs paid to C&S, as more specifically delineated in the Settlement Agreement. The Settlement Amount also creates a fund for the Receiver to disburse to protect and substantially increase the value of the assets of the Receivership Estate for all of the remaining Investors, creditors, and stakeholders.

**P. Notice to Affected Parties**

The Receiver has given the best practical notice of the proposed Settlement Agreement and Bar Order to all known interested persons:

- i. all counsel who have appeared of record in the SEC Action;

- ii. all counsel who are known by the Receiver to have appeared of record in any legal proceeding or arbitration commenced by or on behalf of any of the Receivership Entities, or any individual investor or putative class of investors seeking relief against any person or entity relating in any manner to the Receivership Entities or the subject matter of the SEC Action;
- iii. all known investors in each and every one of the Receivership Entities identified in the investor lists in the possession of the Receiver at the addresses set forth therein;
- iv. all known non-investor creditors of each and every one of the Receivership Entities identified after a reasonable search by the Receiver;
- v. all parties to the SEC Action;
- vi. all professionals, financial institutions, and consultants of the Receivership Entities that previously received notice of the Receiver's settlements for which bar orders were requested and issued;
- vii. all owners, officers, directors, and senior management employees of the Receivership Entities that previously received notice of the Receiver's settlements for which bar orders were requested and issued; and
- viii. all other persons or entities that previously received notice of the Receiver's settlements for which bar orders were requested and issued.

The Receiver has maintained a list of those given notice. Access to that list will be permitted as necessary if a Barred Person as defined below denies receiving notice and asserts that this Order is therefore inapplicable to that Barred Person.

In addition, the Receiver has published the Notice approved by the Preliminary Approval Order in the Vermont Digger, and The Burlington (Vermont) Free Press, twice a week for three (3) consecutive weeks. The Receiver has also maintained the Notice on the website maintained by the Receiver in connection with the SEC Action ([www.JayPeakReceivership.com](http://www.JayPeakReceivership.com)).

Through these notices and publications, anyone with an interest in the Receivership Entities would have become aware of the Settlement Agreement and Bar Order and been provided sufficient information to put them on notice how to obtain more information and/or object, if they wished to do so.

**Q. Benefits of the Settlement:**

1. The Settlement Amount allows the Receiver, as disbursing agent, to return approximately one hundred percent (100%) of the attorneys' fees that certain Cason Plaintiffs paid to C&S.
2. The Settlement Amount also allows the Receiver, as disbursing agent, to return approximately fifty percent (50%) of the attorneys' fees that the remaining Cason Plaintiffs paid to C&S.
3. The Settlement Amount allows the Receiver, as disbursing agent, to pay attorneys' fees and reimbursement of expenses to counsel for the Cason Plaintiffs so that the Cason Plaintiffs do not need to pay such amounts.
4. The balance of the Settlement Amount—Five Million Two Hundred Thousand Dollars (\$5,200,000.00)—allows the Receiver to protect and substantially increase the value of the assets of the Receivership Estate for all of the remaining Investors. Five Hundred Fifty Thousand Dollars (\$550,000.00) of this amount was allocated to settle the Receiver's potential claims against the Attorneys, factoring in the Attorneys' potential claims against the Receivership Estate.
5. The Receiver will maintain an escrow reserve of One Million Two Hundred Fifty Thousand Dollars (\$1,250,000.00) from the Settlement Amount, as further described in the Settlement Agreement, to hold the Attorney Released Parties harmless, and indemnify and defend the Attorney Released Parties at the expense of the Receivership Estate up to the amount held in escrow, from and against any and all judgments, claims, or liabilities arising from or related in any manner to any person or entity who brings or seeks to bring a claim

against any of the Attorney Released Parties that may be prohibited by, or in violation of, the Bar Order.

6. The Settlement Amount thus enhances the value of each Phase of the Receivership Estate and benefits all Investors, creditors, and stakeholders.

R. The Bar Order and the releases in the Settlement Agreement are tailored to matters relating to the Barred Claims and are appropriate to maximize the value of the Receivership Entities for the benefit of the Investors and other stakeholders and creditors. The Bar Order also protects the assets of the Receivership Estate from being subjected to claims for indemnification by the Attorneys. The Bar Order will also protect the assets of the Receivership Estate by preventing the source of the Settlement Amount, the Attorneys' wasting insurance policies, from being further depleted in litigation. The Receiver will establish a distribution process through which Investors and other interested parties may seek disbursement of funds, including the Settlement Amount to the extent such amounts have not been used to administer the Receivership Estate or for the benefit of the Receivership Estate. The interests of persons affected by the Bar Order and the releases in the Settlement Agreement were well represented by the Receiver, acting in the best interests of the Receivership Entities in his fiduciary capacity and upon the advice and guidance of his experienced counsel. Accordingly, the Settlement Agreement is fair, adequate and reasonable, and in the best interests of all creditors of, Investors in, or other persons or entities claiming an interest in, having authority over, or asserting claims against the Receivership Entities, and of all persons who could have claims against the Attorneys relating to the Barred Claims. The Bar Order is a necessary and appropriate order granting ancillary relief in the SEC Action.

S. Approval of the Settlement Agreement and the Bar Order and adjudication of the Motion are discrete from other matters in the SEC Action, and, as set forth above, the Settling

Parties have shown good reason for the approval of the Settlement Agreement and Bar Order to proceed expeditiously. Therefore, there is no just reason for delay of the finality of this Order.

Based on the foregoing findings and conclusions, the Court **ORDERS, ADJUDGES, AND DECREES** as follows:

1. The Motion is **GRANTED** in its entirety. Any objections to the Motion or the entry of this Order are overruled to the extent not otherwise withdrawn or resolved.

2. The Settlement Agreement is **APPROVED** and are final and binding upon the Settling Parties and their successors and assigns as provided in the Settlement Agreement. The Settling Parties are authorized to perform their obligations under the Settlement Agreement.

3. The Receiver shall disburse the Settlement Amount in accordance with the terms and conditions of the Settlement Agreement and a plan of distribution to be approved by this Court. Without limitation of the foregoing, upon payment of the full Settlement Amount, the releases set forth in Section 5 of the Settlement Agreement are **APPROVED** and are final and binding on the Parties and their successors and assigns as provided in the Settlement Agreement. The Court further approves the use of Two Million Four Hundred and Fifty Thousand Dollars (\$2,450,000.00) to establish the Attorneys' Fund to be disbursed in accordance with the terms of the Settlement Agreement. The Court further approves the Receiver's use of One Million Two Hundred Fifty Thousand Dollars (\$1,250,000.00) to maintain an escrow reserve in connection with the indemnification obligations owed by the Receiver to the Attorneys.

4. The Bar Order as set forth in paragraph 5 of this Order is **APPROVED** as a necessary and appropriate component of the settlement. *See Kaleta*, 530 Fed. Appx. at 362 (entering bar order and injunction in an SEC receivership proceeding where necessary and appropriate as "ancillary relief" to that proceeding). *See also In re Seaside Eng'g & Surveying*,

*Inc.*, 780 F.3d 1010 (11th Cir. 2015) (approving bar orders in bankruptcy matters); *Bendall v. Lancer Management Group, LLC*, 523 Fed. Appx. 554 (11th Cir. 2013) (the Eleventh Circuit “will apply cases from the analogous context of bankruptcy law, where instructive, due to limited case law in the receivership context”); *Munford, Inc. v. Munford, Inc.*, 97 F.3d 449, 454-55 (11th Cir. 1996); *In re Jiffy Lube Securities Litig.*, 927 F.2d 155 (4th Cir. 1991); *Eichenholtz v. Brennan*, 52 F.3d 478 (3d Cir. 1995).

**5. BAR ORDER AND INJUNCTION: THE BARRED PERSONS ARE PERMANENTLY BARRED, ENJOINED, AND RESTRAINED FROM ENGAGING IN THE BARRED CONDUCT AGAINST THE ATTORNEY RELEASED PARTIES WITH RESPECT TO THE BARRED CLAIMS, as those terms are herein defined.**

- a. **The “Barred Persons”**: Any non-governmental person or entity, including, without limitation, (i) owners, officers, directors, limited and general partners, and Investors of the Receivership Entities; (ii) any Defendant in the SEC Action, or in any action now pending or which may hereafter be brought in connection with the Barred Claims; (iii) any party to the EB-5 Actions; (iv) current or former clients of the Attorneys; or (v) any person or entity claiming by or through such persons or entities, and/or the Receivership Entities, all and individually, directly, indirectly, or through a third party, whether individually, derivatively, on behalf of a class, as a member of a class, or in any other capacity whatsoever;
- b. **The “Barred Conduct”**: instituting, reinstating, intervening in, initiating, commencing, maintaining, continuing, filing, encouraging, soliciting, supporting, participating in, collaborating in, otherwise prosecuting, or otherwise pursuing or

litigating in any case or manner, whether pre-judgment or post-judgment, or enforcing, levying, employing legal process, attaching, garnishing, sequestering, bringing proceedings supplementary to execution, collecting or otherwise recovering, by any means or in any manner, based upon any liability or responsibility, or asserted or potential liability or responsibility, directly or indirectly, relating in any way to the Barred Claims;

- c. **The “Barred Claims”**: any and all claims, actions, lawsuits, causes of action, investigation, demand, complaint, cross-claims, counterclaims, or third-party claims or proceeding of any nature, including, but not limited to, litigation, arbitration, or other proceeding, in any federal or state court, or in any other court, arbitration forum, administrative agency, or other forum in the United States, Canada or elsewhere, whether arising under local, state, federal or foreign law; that in any way relate to, are based upon, arise from, or are connected with the released claims or interests of any kind as set forth in the Settlement Agreement, with the events and occurrences underlying the claims in the EB-5 Actions, with the Receivership Entities, with the investments made in the eight limited partnerships, including but not limited to those events, transactions and circumstances alleged in the SEC Action or relating in any way to the Attorney Activities;
- d. **The “Attorney Released Parties”**: The Attorneys, including without limitation Edward J. Carroll, Esq.; Mark H. Scribner, Esq.; Carroll & Scribner, P.C.; Carroll & Associates, P.C.; and Primmer Piper Eggleston & Cramer, P.C.; and each of their their parent, affiliate, and subsidiary companies, all current, former, and future employees, shareholders, of counsel, agents, attorneys, officers, directors,



members, managers, principals, associates, representatives, trustees, consultants, and general and limited partners; the Attorneys' insurer, ALPS Property & Casualty Insurance Company; and each of their respective administrators, heirs, beneficiaries, assigns, predecessors, predecessors in interest, successors, and successors in interest.

7. Any non-settling defendants in any action commenced by the Receiver or in any other actions by or on behalf of the Investors or any of them who would otherwise be entitled to contribution or indemnity from the Attorney Released Parties in connection with any claim asserted against them by the Receiver or the Investors shall be entitled to a dollar-for-dollar offset against any subsequent judgment entered against such party for: (1) with respect to the Receiver, the Settlement Amount, less the amounts paid to the Cason Plaintiffs for their share of the Settlement Amount and counsel for the Cason Plaintiffs; and (2) with respect to the Investors, any portion of the Settlement Amount received by each such Investor pursuant to the Settlement Agreement. This provision is without prejudice to whatever rights, if any exist, any non-settling defendant may have to setoff under applicable law in any action brought by or on behalf of the Receiver or the Receivership Entities or by any Investor now pending or which may be brought in the future.

8. Paragraph 5 of this Order shall not apply (i) to the United States of America, its agencies or departments, or to any state or local government; or (ii) to the Settling Parties' respective obligations under the Settlement Agreement.

9. Nothing in this Order or the Settlement Agreement, and no aspect of the Settling Parties' settlement or negotiations thereof, is or shall be construed to be an admission or concession of any violation of any statute or law, of any fault, liability or wrongdoing, or of any infirmity in

the claims or defenses of the Settling Parties with regard to any case or proceeding, including the Cason Action.

10. No Attorney Released Party shall have any duty or liability with respect to the administration of, management of, or other performance by the Receiver of his duties relating to the Receivership Entities, including, without limitation, the process to be established for filing, adjudicating and paying claims against the Receivership Entities or the allocation, disbursement or other use of the Settlement Amount.

11. Neither the Settlement Agreement, nor this Order, shall be impaired, modified or otherwise affected in any manner other than by direct appeal of this Order, or motion for reconsideration or rehearing thereof, made in accordance with the Federal Rules of Civil Procedure.

12. Nothing in this Order or the Settlement Agreement, nor the performance of the Settling Parties' obligations thereunder, shall in any way impair, limit, modify or otherwise affect the rights of the Attorneys, the Cason Plaintiffs, the Receiver, or the Investors against any party not released in the Settlement Agreement.

13. All Barred Claims against the Attorney Released Parties, including those in the Cason Action, are stayed until this Order is Final.<sup>3</sup> To the extent reasonably necessary for the Receiver or the Investors to pursue claims against others, the Attorneys shall produce witnesses or documents within their custody or control but shall be reimbursed any reasonable expenses or costs incurred in doing so.

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<sup>3</sup> As used in this Order, in reference to any court order, being "**Final**" means a court order unmodified after the conclusion of, or expiration of, any right of any person to seek any appeal, rehearing, or reconsideration of the order.

14. The Cason Plaintiffs are directed and authorized to dismiss their claims against Carroll and Scribner with prejudice, when this Order is Final within the meaning of the Settlement Agreement, in accordance with the terms of the Settlement Agreement with no party admitting to wrongdoing or liability and all parties responsible for their attorneys' fees and costs.

15. Pursuant to Fed. R. Civ. P. 54(b), and the Court's authority in this equity receivership to issue ancillary relief, this Order is a final order for all purposes, including, without limitation, for purposes of the time to appeal or to seek rehearing or reconsideration.

16. This Order shall be served by counsel for the Receiver via email, first class mail or international delivery service, on any person or entity afforded notice (other than publication notice) pursuant to the Preliminary Approval Order.

17. Without impairing or affecting the finality of this Order, the Court retains continuing and exclusive jurisdiction to construe, interpret and enforce this Order, including, without limitation, the injunction, the Bar Order and releases herein or in the Settlement Agreement. This retention of jurisdiction is not a bar to any person, including the Settling Parties, from raising the injunction or Bar Order to obtain its benefits in establishing reductions to damage awards or seeking to dismiss a claim.

**DONE AND ORDERED** in Chambers at Miami, Florida, this \_\_\_\_ day of \_\_\_\_\_, 2021.

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DARRIN P. GAYLES  
UNITED STATES DISTRICT JUDGE

## Exhibit A

### (List of Receivership Entities)

Jay Peak, Inc.  
Q Resorts, Inc.  
Jay Peak Hotel Suites L.P.  
Jay Peak Hotel Suites Phase II L.P.  
Jay Peak Management, Inc.  
Jay Peak Penthouse Suites L.P.  
Jay Peak GP Services, Inc.  
Jay Peak Golf and Mountain Suites L.P.  
Jay Peak GP Services Golf, Inc.  
Jay Peak Lodge and Townhouses L.P.  
Jay Peak GP Services Lodge, Inc.  
Jay Peak Hotel Suites Stateside L.P.  
Jay Peak GP Services Stateside, Inc.  
Jay Peak Biomedical Research Park L.P.  
AnC Bio Vermont GP Services, LLC  
AnC Bio VT, LLC<sup>4</sup>  
Q Burke Mountain Resort, Hotel and Conference Center, L.P.  
Q Burke Mountain Resort GP Services, LLC  
Jay Construction Management, Inc.  
GSI of Dade County, Inc.  
North East Contract Services, Inc.  
Q Burke Mountain Resort, LLC

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<sup>4</sup> Also referred to as: AnC Bio Vermont, LLC; AnCBioVT; AnCBio Vermont LLC; AnCBio VT LLC; and AnCBioVermont. See SEC Action, DE #492 and 493.

# **EXHIBIT C**

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA

CASE NO.: 16-cv-21301-GAYLES

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

ARIEL QUIROS,  
WILLIAM STENGER,  
JAY PEAK, INC.,  
Q RESORTS, INC.,  
JAY PEAK HOTEL SUITES L.P.,  
JAY PEAK HOTEL SUITES PHASE II. L.P.,  
JAY PEAK MANAGEMENT, INC.,  
JAY PEAK PENTHOUSE SUITES, L.P.,  
JAY PEAK GP SERVICES, INC.,  
JAY PEAK GOLF AND MOUNTAIN SUITES L.P.,  
JAY PEAK GP SERVICES GOLF, INC.,  
JAY PEAK LODGE AND TOWNHOUSES L.P.,  
JAY PEAK GP SERVICES LODGE, INC.,  
JAY PEAK HOTEL SUITES STATESIDE L.P.,  
JAY PEAK GP SERVICES STATESIDE, INC.,  
JAY PEAK BIOMEDICAL RESEARCH PARK L.P.,  
AnC BIO VERMONT GP SERVICES, LLC,

Defendants,

JAY CONSTRUCTION MANAGEMENT, INC.,  
GSI OF DADE COUNTY, INC.,  
NORTH EAST CONTRACT SERVICES, INC.,  
Q BURKE MOUNTAIN RESORT, LLC,

Relief Defendants, and

Q BURKE MOUNTAIN RESORT, HOTEL AND  
CONFERENCE CENTER, L.P.,  
Q BURKE MOUNTAIN RESORT GP SERVICES, LLC

Additional Defendants

\_\_\_\_\_ /

**NOTICE OF PROCEEDINGS TO APPROVE SETTLEMENT BETWEEN RECEIVER,  
CASON PLAINTIFFS, EDWARD J. CARROLL, ESQ. (AND HIS LAW FIRMS), AND  
MARK H. SCRIBNER, ESQ. (AND HIS LAW FIRM) AND BAR ORDER**

PLEASE TAKE NOTICE that Michael I. Goldberg, as the Court-appointed receiver (the “Receiver”) of the entities (the “Receivership Entities”) in the above-captioned civil enforcement

action (the “SEC Action”), has filed a request for approval of a proposed settlement between: a group of investors that filed an amended complaint in the United States District Court for the District of Vermont (“Cason Plaintiffs”); the Receiver; Edward J. Carroll, Esq. (“Carroll”), and his law firms, Carroll & Scribner, P.C. (“C&S”), Carroll & Associates, P.C. (“C&A”); and Mark H. Scribner, Esq., (“Scribner”) and his law firm, Primmer Piper Eggleston & Cramer, P.C. (“PPEC”) and, together with Carroll, C&S, C&A, and Scribner, the “Attorneys”). The proposed settlement settles all claims that were and could have been asserted against the Attorneys by the Cason Plaintiffs or the Receiver; such settlement is **expressly conditioned** on the Court approving the Settlement Agreement and including in the order approving such Settlement Agreement a provision permanently barring, restraining and enjoining any person or entity from pursuing claims, **including claims you may possess**, against any of the Attorney Released Parties relating to the SEC Action or any of the other EB-5 Actions, including but not limited to claims by on behalf of any Investor, by the Receiver, by the Receivership Entities (including their past and present general partners, owners, shareholders, officers, and directors), by any current or former clients of the Attorneys, or by any other person or entity (other than federal or state governmental bodies or agencies) that arise directly or indirectly in any manner whatsoever from the Attorneys’ activities, omissions, services or counsel in connection with the Receivership Entities, the Jay Peak Resort, AnC Bio, or the Burke Mountain Hotel (the “Bar Order”).<sup>1</sup>

PLEASE TAKE FURTHER NOTICE that the material terms of the Settlement Agreement are that the Attorneys will collectively pay Eight Million Dollars (\$8,000,000.00), in exchange for broad releases from the Cason Plaintiffs, the Receiver, and the Receivership Entities, and the Bar Order.

PLEASE TAKE FURTHER NOTICE that the Settlement Agreement establish an Attorneys’ Fund to reimburse costs and compensate the attorneys for the Cason Plaintiffs.

PLEASE TAKE FURTHER NOTICE that copies of the Settlement Agreement; the Motion for (i) Approval of Settlement between Receiver, Cason Plaintiffs, Edward J. Carroll, Esq. (and His Law Firms), and Mark H. Scribner, Esq. (and His Law Firm); (ii) Approval of Form, Content, and Manner of Notice of Settlement and Bar Order; (iii) Entry of Bar Order; and (iv) Scheduling a Hearing; with Incorporated Memorandum of Law [D.E. \_\_\_] (the “Motion”); the proposed Bar Order; and other supporting and related papers, may be obtained from the Court’s docket in the SEC Action or from the website created by the Receiver ([www.JayPeakReceivership.com](http://www.JayPeakReceivership.com)). Copies of the Motion may also be obtained by email request to Kimberly Smiley at [kimberly.smiley@akerman.com](mailto:kimberly.smiley@akerman.com) or by telephone by calling Ms. Smiley at 954-759-8929.

PLEASE TAKE FURTHER NOTICE that the final hearing on the Motion, at which time the Court will consider approval of the Settlement Agreement including the grant of the releases and the issuance of the Bar Order, is set by Zoom before the Honorable Darrin P. Gayles, the United States Courthouse, 400 North Miami Avenue, Miami, Florida 33128, in Courtroom 11-1, at \_\_:\_\_\_.m. on \_\_\_\_\_, 2021 (the “Final Approval Hearing”). The link for the Zoom hearing will be circulated before the Final Approval Hearing.

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<sup>1</sup> Defined terms used but not defined in this Notice are more fully defined in the Settlement Agreement.

Any objection to the Settlement Agreement, the Motion or any related matter, including, without limitation, entry of the Bar Order, must be filed, in writing, with the Court in the SEC Action, and served by email and regular mail, on: Michael I. Goldberg, Esq., Akerman LLP, The Main Las Olas, 201 East Las Olas Boulevard, Suite 1800, Fort Lauderdale, FL 33301, Email: michael.goldberg@akerman.com; Jeffrey C. Schneider, Esq., Levine Kellogg Lehman Schneider + Grossman, LLP, 201 S. Biscayne Blvd., 22<sup>nd</sup> Floor, Miami, FL 33131, Email: jcs@lklsg.com; Andrew H. Maass, Esq., Ryan Smith & Carbine Ltd., 98 Merchants Row, P.O. Box 310, Rutland, VT 05702, Email: ahm@rsclaw.com; Christopher D. Ekman, Esq. and William L. Gagnon, Esq., Heilmann, Ekman, Cooley & Gagnon, Inc., 231 South Union Street, P.O. Box 216, Burlington, VT 05402, Emails: cekman@healaw.com and wgagnon@healaw.com; Robert B. Hemley, Esq. and Daniel J. Martin, Esq., Gravel & Shea PC, 76 St. Paul Street, 7<sup>th</sup> Floor, Burlington, VT 05401, Emails: rhemley@gravelshea.com and dmartin@gravelshea.com; Russell D. Barr, Esq., Barr Law Group, 125 Mountain Road, Stowe, VT 05672, Email: russ@barrlaw.com, Louis D. D'Agostino, Esq., Cheffy Passidomo, 821 Fifth Avenue South, Naples, FL 34102, Email: lddagostino@napleslaw.com; and Sara E. Hanley, Esq., Hanley Law, 365 Fifth Avenue South, Suite 202, Naples, FL 34102, Email: hanley@finralawyer.org, **no later than \_\_\_\_\_, 2020 (the “Objection Deadline”)**, and such objection must be made in accordance with the Court’s Order (I) preliminarily approving settlement between Receiver, Cason Plaintiffs, Edward J. Carroll, Esq. (and His Law Firms), and Mark H. Scribner, Esq. (and His Law Firm); (II) approving form and content of notice, and manner and method of service and publication; (III) setting deadline to object to approval of settlement and entry of bar order; and (IV) scheduling a hearing [D.E. \_\_\_] (the “Preliminary Approval Order”).

PLEASE TAKE FURTHER NOTICE that any person or entity failing to file an objection on or before the Objection Deadline and in the manner required by the Preliminary Approval Order shall not be heard by the Court. Those wishing to appear and present objections at the Final Approval Hearing must include a request to appear in their written objection. **If no objections are timely filed, the Court may cancel the Final Approval Hearing without further notice.**

**This matter may affect your rights. You may wish to consult an attorney.**

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