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11 Attorneys for Receiver  
12 THOMAS A. SEAMAN

13 UNITED STATES DISTRICT COURT  
14 CENTRAL DISTRICT OF CALIFORNIA  
15 SOUTHERN DIVISION

16 SECURITIES AND EXCHANGE  
COMMISSION,  
17 Plaintiff,  
18 v.  
19 EMILIO FRANCISCO; PDC CAPITAL  
GROUP, LLC; CAFFE PRIMO  
INTERNATIONAL, INC.; SAL ASSISTED  
20 LIVING, LP; SAL CARMICHAEL, LP; SAL  
CITRUS HEIGHTS, LP; SAL KERN  
21 CANYON, LP; SAL PHOENIX, LP; SAL  
WESTGATE, LP; SUMMERPLACE AT  
22 SARASOTA, LP; SUMMERPLACE AT  
CLEARWATER, LP; SUMMERPLACE AT  
23 CORRELL PALMS, LP; TRC TUCSON, LP;  
CLEAR CURRENTS WEST, LP; CAFFE  
24 PRIMO MANAGEMENT, LP; CAFFE  
PRIMO MANAGEMENT 102, LP; CAFFE  
25 PRIMO MANAGEMENT 103, LP; CAFFE  
PRIMO MANAGEMENT 104, LP; CAFFE  
26 PRIMO MANAGEMENT 105, LP; CAFFE  
PRIMO MANAGEMENT 106, LP; CAFFE  
27 PRIMO MANAGEMENT 107, LP; and  
28 CAFFE PRIMO MANAGEMENT 108, LP,  
Defendants.

Case No. 8:16-cv-02257-CJC-DFM  
**DECLARATION OF THOMAS A. SEAMAN IN SUPPORT OF MOTION FOR AUTHORITY TO PURSUE CLAIMS AGAINST NEIL RICHARDSON AND THE RICHARDSON FAMILY TRUST**  
Date: February 26, 2018  
Time: 1:30 p.m.  
Ctrm: 9B, 9th Floor  
Judge: Hon. Cormac J. Carney

1 I, Thomas A. Seaman, declare:

2 1. I am the Court-appointed receiver for the Defendant Entities and their  
3 subsidiaries and affiliates<sup>1</sup> (collectively, "Receivership Entities"). I make this  
4 declaration in support of my Motion for Authority to Pursue Claims Against Neil  
5 Richardson and the Richardson Family Trust. I have personal knowledge of the  
6 facts set forth in this declaration and, if called as a witness, could and would testify  
7 competently to such facts under oath.

8 2. My investigation to date indicates that in or around 2013, Neil  
9 Richardson ("Richardson") and Chris Miller ("Miller") of FCM Capital Partners  
10 ("FCM") were working together to identify properties for development. Richardson  
11 claims he loaned significant sums of his personal funds to Miller/FCM. However,  
12 to date, no evidence of these personal loans has been provided to me by Richardson.  
13 In 2013, FCM purchased a property located in Carmichael, California ("Carmichael  
14 Property"). The working relationship between Richardson and Miller apparently  
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18 <sup>1</sup> As used herein, "Receivership Entities" refers to the following specifically named entities:  
19 PDC Capital Group, LLC; Caffe Primo International, Inc.; SAL Assisted Living, LP; SAL  
20 Carmichael, LP; SAL Citrus Heights, LP; SAL Kern Canyon, LP; SAL Phoenix, LP; SAL  
21 Westgate, LP; Summerplace at Sarasota, LP; Summerplace at Clearwater, LP; Summerplace at  
22 Correll Palms, LP; TRC Tucson, LP; Clear Currents West, LP; Caffe Primo Management, LP;  
23 Caffe Primo Management 102, LP through Caffe Primo Management 108, LP (collectively,  
24 "**Named Entities**"); and their subsidiaries and affiliates Summerplace Management, LLC;  
25 PDC Partners Management, Inc.; FDC Partners Management, Inc.; KPF Capital, LLC; FDC  
26 Capital Partners, LLC; MSL US Fund I, LLC; MPoint Land & Development, INC; Woodcrest  
27 Construction Management, INC; Professional Loading Service, LLLP; WDC Capital Group,  
28 LLC; WDC Capital Partners, LLC; KPF Investment Management, INC; Meridian  
Summerplace at Snug Harbor, LLC; Meridian Summerplace at Snug Harbor, LP;  
Summerplace at Correll Palms, LLC; Summerplace at Correll Palms, LP; Summerplace at  
Winter Haven, LLC; Summerplace at Winter Haven, LP; Summerplace at Sun City, LLC;  
Summerplace at Sun City, LP; Meridian at Sun City, LLC; Summerplace at Orlando-  
Summerfield, LLC; Summerplace at Orlando-Summerfield, LP; Summerplace at Kissimmee,  
LLC; Summerplace at Kissimmee, LP; Summerplace at Merced, LLC; Summerplace at  
Merced, LP; SAL-PDC, LLC; SLALMC, LLC; SAL Lincoln Village, IL; Lincoln Village IL,  
LLC; Lincoln Village IL, LP; Lincoln Village SNF, LLC; Lincoln Village SNF, LP; FCM  
Development Group, LLC; ADC Capital Group, LLC; NCDC Capital Partners, LLC;  
Summerplace at Bonney Lake MC, LLC; Summerplace at Bonney Lake MC, LP;  
Summerplace Management, LLC; Summerplace Development, LLC; Defiance Charters, LLC;  
and Red Sunshine Holdings, Ltd. (collectively, "**Affiliates**").

1 soured and the two sued each other (and related entities) in or around 2014.

2 Richardson recorded a *lis pendens* against the Carmichael Property.

3         3.       In 2014, Richardson began working for PDC. In July 2015,  
4 SAL Carmichael bought the Carmichael Property from FCM for \$1.9 million. At  
5 the same time, PDC, SAL Carmichael, and Richardson signed a Settlement  
6 Agreement by which PDC and SAL Carmichael agreed to pay Richardson  
7 \$2 million. A promissory note in the amount of \$2 million in favor of Richardson  
8 ("Note") was issued, but not by PDC or SAL Carmichael. Instead, an entirely  
9 separate entity, SAL Westgate signed the Note and a Deed of Trust securing the  
10 obligation to Richardson, which was recorded against the Westgate Property.  
11 SAL Westgate was not involved in the purchase of the Carmichael Property or the  
12 Richardson settlement in any manner and received nothing of value from the  
13 transaction.

14         4.       In 2016, Richardson had a falling out with PDC. In May 2016,  
15 Richardson sued Robert Ferrante, Defendant Emilio Francisco, PDC, and  
16 FDC Capital Group, LLC ("FDC") in Orange County Superior Court. Later that  
17 same month, PDC, Francisco and Ferrante filed two separate lawsuits against  
18 Richardson, his family trust, his family members, and related entities in Orange  
19 County Superior Court. Among other things, Richardson claimed PDC misled him  
20 into performing services, but never paid him the agreed upon amounts or  
21 commissions for his work. PDC claimed Richardson misrepresented his expertise in  
22 real estate development, failed to provide promised services, and then created his  
23 own company to compete with PDC, including stealing clients, trade secrets, and  
24 business opportunities. The complaints allege that Richardson participated in  
25 obtaining a boat and Ferrari automobile, although the two sides dispute who had  
26 control of these luxury assets and for whose benefit they were obtained.

27         5.       After the filing of this action by the Securities and Exchange  
28 Commission and the my appointment by the Court, the Orange County Superior

1 Court held a hearing and determined that all claims against PDC and FDC were  
2 enjoined and stayed pursuant to the Court's Preliminary Injunction Against All  
3 Defendants.

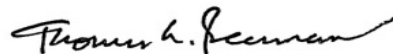
4         6. I seek authority to file an action in this Court, as a related action to this  
5 case, against Richardson, individually and as trustee of his family trust, in whose  
6 name the note and Deed of Trust were issued. The complaint will include causes of  
7 action (a) to avoid the Note and Deed of Trust as fraudulent/voidable transfers in  
8 exchange for which SAL Westgate received nothing of value, (b) to quiet title to the  
9 Westgate Property, also known as the Sacramento Property, in the event the  
10 proposed sale of the property does not close as expected, and (c) to equitably  
11 subordinate the claims of Richardson and his family trust to the claims of the EB-5  
12 investors. As discussed below, I believe such causes of action are supported by the  
13 facts and applicable law, and therefore should be pursued for the benefit of the  
14 receivership estate and the EB-5 investors.

15         7. Predicting the fees and costs that will be incurred in connection with  
16 any litigation matter is extremely difficult. If the proposed action against  
17 Richardson were to settle relatively early, the fees and costs would naturally be  
18 fairly low. If, however, the case were to be litigated through discovery and  
19 summary judgment, I, having consulted with counsel, estimate the fees and costs  
20 would be in the range of \$125,000 to \$200,000. If the case required a trial, the fees  
21 and costs would increase significantly, depending on the number of causes of action  
22 and defenses at issue and the length of trial. I will make every effort to keep fees  
23 and costs down and will take a pragmatic approach to settlement discussions. Allen  
24 Matkins will provide a 10% discount on its hourly rates for the proposed action, as it  
25 has for all work done in connection with the receivership.

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1 I declare under penalty of perjury under the laws of the United States of  
2 America that the foregoing is true and correct.

3 Executed this 25th day of January 2018, at Irvine, California.

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6 THOMAS A. SEAMAN  
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