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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
20 ASSISTED LIVING, LP; SAL
CARMICHAEL, LP; SAL CITRUS
21 HEIGHTS, LP; SAL KERN
CANYON, LP; SAL PHOENIX, LP;
22 SAL WESTGATE, LP;
SUMMERPLACE AT SARASOTA, LP;
23 SUMMERPLACE AT
CLEARWATER, LP; SUMMERPLACE
24 AT CORRELL PALMS, LP;
TRC TUCSON, LP; CLEAR
25 CURRENTS WEST, LP; CAFFE
PRIMO MANAGEMENT, LP; CAFFE
26 PRIMO MANAGEMENT 102, LP; et al.,
27 Defendants.

Case No. 8:16-cv-02257-CJC-DFM
**RECEIVER THOMAS A. SEAMAN'S
MOTION FOR ORDER:
(1) APPROVING CLAIM FORMS;
(2) SETTING CLAIMS BAR DATE;
AND (3) ESTABLISHING
SUMMARY CLAIMS
PROCEDURES**
Date: May 21, 2018
Time: 1:30 p.m.
Ctrm: 9B, 9th Floor
Judge: Hon. Cormac J. Carney

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1 **TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:**
2 **PLEASE TAKE NOTICE** that on May 21, 2018, at 1:30 p.m. in
3 Courtroom 9B of the above-entitled Court, located at 411 W. Fourth Street,
4 Santa Ana, California 92701, Thomas A. Seaman ("Receiver"), the Court-appointed
5 receiver for the Receivership Entities¹ (collectively, the "Receivership Entities"),
6 hereby moves this Court for an order (1) approving the proposed claim form for
7 claims against the Receivership Entities other than claims of EB-5 investors on their
8 EB-5 investment; (2) setting a claims bar date for the submission of claims; and
9 (3) establishing summary procedures for the resolution of disputed claims.

10 **I. INTRODUCTION**

11 The Receiver believes it is prudent to initiate a claims process so that the scope
12 of claims against the Receivership Entities can be established with some certainty.
13 The proposed claims process provides for the submission of claims, other than EB-5
14 investor claims, by a date certain (sometimes referred to as the "Bar Date"), on a
15 Court-approved claim form, and procedures for the efficient resolution of any
16

17 ¹ As used herein, "Receivership Entities" refers to the following specifically named entities:
18 PDC Capital Group, LLC; Caffè Primo International, Inc.; SAL Assisted Living, LP; SAL
19 Carmichael, LP; SAL Citrus Heights, LP; SAL Kern Canyon, LP; SAL Phoenix, LP; SAL
20 Westgate, LP; Summerplace at Sarasota, LP; Summerplace at Clearwater, LP; Summerplace at
21 Correll Palms, LP; TRC Tucson, LP; Clear Currents West, LP; Caffè Primo Management, LP;
22 Caffè Primo Management 102, LP through Caffè Primo Management 108, LP (collectively,
23 "**Named Entities**"); and their subsidiaries and affiliates Summerplace Management, LLC;
24 PDC Partners Management, Inc.; FDC Partners Management, Inc.; KPF Capital, LLC;
25 FDC Capital Partners, LLC; MSL US Fund I, LLC; MPoint Land & Development, Inc.;
26 Woodcrest Construction Management, Inc.; Professional Loading Service, LLLP; WDC Capital
27 Group, LLC; WDC Capital Partners, LLC; KPF Investment Management, Inc.; Meridian
28 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 ("SLALMC"); 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, "**Affiliated Entities**").

1 disputes with regard to the claim amounts. The proposed claims process does not
2 address disposition of assets or plans for distribution of proceeds to approved
3 claimants.

4 The Receiver has determined that it is unnecessary for the EB-5 investors to
5 file claim forms because, subject to a few exceptions, the Receiver has reliable
6 information as to the amount invested by each EB-5 investor. In other words, each
7 EB-5 investor made a \$500,000 investment which the Receiver has confirmed using
8 both bank and accounting records. Accordingly, the Receiver proposes to send the
9 EB-5 investors a letter confirming that they will each have an "allowed" \$500,000
10 claim². If they agree, then they will simply sign and return the letter to the Receiver.
11 If and only if they disagree, then they may file a proof of claim.

12 While the proposed claims process will facilitate future distributions, if
13 ordered by the Court, the claims process does not establish a distribution plan.
14 Setting a claims bar date will give the Receiver and the Court certainty as to the
15 universe and magnitude of possible claims against the Receivership Entities. This is
16 a necessary step toward the distribution of assets and, ultimately, the closing of the
17 case.

18 Summary of the process:

- 19 • **EB-5 Investor Notice of Claim Amount:** Because the EB-5 investments
20 were standardized at \$500,000, and because the Receiver has generally
21 reliable information as to the investors, the Receiver will inform each EB-5
22 investor of his or her invested amount, subject to correction by the investor,
23 using the proposed "Notice Letter Regarding Investor Claim" (the "Investor
24 Letter") attached hereto as **Exhibit A**.

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28 ² In a few instances, EB-5 investors asked for and received a partial refund of their investment. As such, a few of the Investor Letters will reflect an amount less than \$500,000.

- 1 • EB-5 investors that agree with the Receiver's statement will sign and return
2 the Investor Letter. Investors have the option of not responding, if they
3 agree with the Receiver's statement as to the amount of their investment.
4 Investors who do not respond by the claims Bar Date, will have a claim
5 based on the Receiver's statement. In other words, these investors' claims
6 as to their \$500,000 principal investment will be deemed submitted and
7 allowed (see footnote 2). Investor may choose to submit a claim form if
8 they dispute the Receiver's proposed allowed claim amount.
- 9 • **Claim Form:** As to all claims other than EB-5 investments, the Receiver
10 will solicit claim amounts from known vendors, creditors and other
11 claimants, and give notice to all other potential claimants by publication
12 and posting on the Receiver's website. The proposed Claim Form and
13 Instructions are attached hereto as **Exhibit B**.
- 14 • Claim Forms are not filed with the Court. Claim Forms will be submitted
15 to the Receiver by fax, mail or email.
- 16 • **Claims Bar Date:** Claims must be submitted by a claims Bar Date which
17 the Receiver will establish to be at least 60 days from the date of the
18 Receiver's first publication of notice following receipt of the Court's order
19 approving the claims process. Any and all claims not submitted or deemed
20 submitted by the claims Bar Date will be barred.
- 21 • **Claims Process:** The Receiver will evaluate claims forms received by the
22 Bar Date and compare the information provided by claimants against the
23 records of the Receivership Entities, documents submitted with the Claim
24 Forms and other sources. If the Receiver does not accept the claimant's
25 asserted claim amount, the Receiver will provide written notice to the
26 claimant of the objection and the Receiver's proposed claim amount.
- 27 • Differences that cannot be resolved directly through discussions between
28 the Receiver and the claimant will be submitted to the Court for

1 determination by motion, which may take the form of an omnibus objection
2 motion or, for certain claims, independent motions. As necessary, the
3 Receiver or claimants may seek Court permission for discovery, a
4 settlement conference and briefing schedules.

5 The Receiver believes that this approach strikes the appropriate cost/benefit
6 balance given the facts and circumstances of this case. Accordingly, the Receiver
7 respectfully requests that the Court approve the claim form submitted with this
8 Motion, set a claims Bar Date by which all Claim Forms must be submitted, and
9 establish summary claims resolution procedures.

10 **II. FACTUAL BACKGROUND**

11 The Receiver was appointed on January 5, 2017, as temporary receiver for
12 each of the Receivership Entities and thereafter, on January 23, 2017, the receiver
13 was approved by the Court to be the permanent receiver. Since his appointment, the
14 Receiver has located and taken control of assets, accounted for the investor funds and
15 commenced actions to recover funds from third parties. The Receiver has
16 commenced liquidating the assets with the Receiver's proposed sale of the assets
17 under discussion and in process. The Receiver's Interim Reports discuss the known
18 EB-5 investor claims as well as the of non-investor secured and unsecured creditor
19 claims. In anticipation on making a distribution to investors and creditors via a plan
20 of distribution, the Receiver is proposing this claims process.

21 **III. THE RECEIVER'S PROPOSED CLAIMS PROCESS**

22 The proposed claims process will solicit, review and determine claims from all
23 claimants against the Receivership Estate. The Receiver believes it is unnecessary to
24 require the EB-5 investors to file proofs of claims arising from EB-5 investments.
25 The investment programs were entirely standardized with each investor making a
26 \$500,000 investment with regard to a particular project. Furthermore, the records
27 identifying EB-5 investments appear to be reliable. As such, the Receiver believes
28 that he has a clear understanding of the scope of the EB-5 investments. The Receiver

1 therefore proposes to send the Investor Letter to each EB-5 investor and seek their
2 acknowledgement of their \$500,000 investment.

3 **A. CLAIM FORM**

4 The Receiver requests approval of the Claim Form and Instructions attached
5 hereto as **Exhibit B**. This form would be used for all claims, including providers of
6 goods and services, lenders, taxing entities, employees, non-EB-5 investors, and any
7 other creditors.³ If an EB-5 investor wishes to submit a claim, they may also use this
8 form.

9 The Receiver proposes that the non EB-5 investor claimants be required to
10 complete the form, providing specific information about the nature and amount of
11 their claim. Claimants are required to submit adequate back-up documentation at the
12 time the claim is submitted to show the validity of the claim. While the term "claim"
13 is broadly defined, the Receiver anticipates requesting the Court to restrict or cap
14 claims to actual damages and to exclude claims for lost profits, attorney's fees, and
15 consequential damages (i.e. losses not actually incurred as of the date of the
16 Receiver's appointment).

17 The Receiver respectfully requests that the Court approve the proposed Claim
18 Form.

19 **B. SUBMISSION OF CLAIM FORMS**

20 The Receiver proposes allowing claimants to submit their claims by fax, mail
21 and email. Claimants submitting by email will receive an acknowledgment of receipt
22 by email, and claimants submitting by fax or mail can request a date-stamped copy
23 acknowledging receipt.

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26 ³ "Claim" is meant to be all-inclusive, encompassing any claim that a person is
27 owed money by any of the Receivership Entities and their subsidiaries and
28 affiliates, asserts any interest in any of the companies or in any of its assets or in
any claim against any of the companies or any entity under its control, or asserts
any claim of any sort against any of the Receivership Entities whether such claim
is based upon contract, reimbursement, subrogation theories or other legal or
equitable theory.

1 **C. CLAIMS BAR DATE**

2 The Receiver requests that the Court set a deadline to submit Claim Forms and
3 EB-5 Investor Letters reflecting all claims against the Receivership Entities. Any
4 and all claims not received by the claims Bar Date will be barred, except for claims
5 arising from an EB-5 investment which are deemed allowed as described herein.
6 Setting a claims Bar Date is necessary to provide certainty and finality to the claims
7 process and to allow for the implementation of any future distribution plan. Setting a
8 Bar Date will provide a mechanism for providing notice and a deadline after which
9 the Receiver and the Court can be confident that the universe and magnitude of
10 possible claims is known.

11 Accordingly, the Receiver requests that the Court enter an order establishing a
12 Bar Date that is the first business day, 60 days after the Receiver first publishes
13 notice after receipt of an order on this Motion, as the date by which all claims against
14 the Receivership Entities must be submitted.

15 **D. NOTICE OF CLAIMS BAR DATE AND CLAIMS FORMS**

16 The Receiver proposes to give notice of the claims Bar Date and to provide
17 copies of the claim forms as follows. The Receiver proposes mailing the Claim
18 Form and the Investor Letter to potential claimants identified in the records of the
19 Receivership Entities and EB-5 investors. The Investor Letter will be sent to the last
20 known physical and/or email address for each investor. The Receiver will also post
21 notice of the claims Bar Date, the Claim Form and Investor Letter on the Receiver's
22 PDC Capital Group receivership website.

23 The Receiver proposes publishing notice regarding the claims Bar Date in the
24 legal notices section of the Orange County Register and Tampa Bay Times at least
25 two times: to initiate the 60-day claims period and again 30 days later. Because the
26 business of the Receivership Entities was centered in California and Florida, there is

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1 a nexus to these locations making these newspapers reasonable choices for claims
2 notice.⁴ The proposed form of published notice is attached hereto as **Exhibit C**.

3 The Receiver believes that these efforts will ensure broad notice to potential
4 claimants.

5 **E. EFFECT OF FAILURE TO FILE CLAIM FORM**

6 Any party who is required to file a claim form and fails to do so by the claims
7 Bar Date: (i) should not, with respect to any such claim, be treated as holding a
8 claim against the Receivership Entities; (ii) should be barred, estopped and enjoined
9 from asserting any claim against or interest in the Receivership Entities or the
10 Receiver; and (iii) should not receive any distribution or interest on account of such
11 claim. This aspect of the requested order is essential to ensure finality and to allow
12 for the timely and efficient administration of the Receivership Entities.

13 **F. DISPUTES AS TO CLAIM AMOUNTS SHOULD BE**
14 **DETERMINED BY THIS COURT USING SUMMARY**
15 **PROCEEDINGS**

16 The goal of an equitable receivership is to fairly and efficiently administer the
17 receivership assets for the benefit of claimants and creditors. SEC v. Hardy, 803
18 F.2d 1034, 1038 (9th Cir. 1986). With that goal in mind, the Receiver proposes that
19 claim disputes that cannot be consensually resolved be determined by this Court
20 using summary proceedings.

21 As noted above, the Receiver will solicit claim information from all potential
22 claimants using the proposed Claim Form. The Receiver will compare claims

24 ⁴ The Receiver explored the possibility of publishing notice in a newspaper in
25 Beijing. The Receiver consulted with several persons and entities with
26 experience in publishing notice in China. The process of publishing in China is
27 difficult and time consuming, as the newspapers have stringent rules and are
28 unpredictable about accepting ads. There is no guaranty that the notice would get
published in a timely manner or at all, or get published in the form submitted.
Moreover, the Receiver has not seen any indication of non-investor creditors in
China, aside from MCC US Inc., whose claims have been resolved. For the cost,
time and uncertainty of publishing notice in China, the Receiver does not see
substantial additional benefit to the proposed claims process.

1 received by the Bar Date against the records of the Receivership Entities, the
2 documents submitted with the claims, and other sources. If the Receiver does not
3 accept the claimant's asserted claim amount, the Receiver will provide written notice
4 to the claimant of the objection and the Receiver's proposed claim amount. The
5 Receiver will attempt to confer with the claimant in an effort to resolve the claim
6 dispute.

7 Differences that cannot be resolved directly between the Receiver and the
8 claimant will be submitted to the Court for determination by motion, which may take
9 the form of an omnibus objection motion (e.g., disallowing the portion of claims
10 reflecting attorney's fees, lost profits, interest, late fees, penalties or similar items.) If
11 a motion is necessary, the Receiver will identify the portion of the claim that he
12 believes is unobjectionable, the proposed allowed amount, and the factual and legal
13 basis for the Receiver's objection to the claim amount. The claimant may file an
14 opposition, and the Receiver may file a reply. As necessary, the Receiver and
15 claimant can seek Court permission for discovery, a settlement conference, a
16 modified briefing schedule and other procedures deemed appropriate by the Court.

17 To the extent that the Receiver's objections to claims have similar bases and
18 can be grouped according to the nature of the claim objections, the Receiver
19 proposes that groups of claims may be determined in consolidated summary
20 proceedings. In all events, each claimant will receive detailed notice about the nature
21 of the objection and opportunity to respond.

22 Courts have the general power to use summary procedure in allowing,
23 disallowing, and subordinating the claims of creditors in a receivership. *United*
24 *States v. Arizona Fuels*, 739 F.2d 455, 458 (9th Cir. 1984); *SEC v. Hardy*, 803 F.2d
25 1034, 1040 (9th Cir. 1986) (summary proceeding to approve categorization scheme
26 for investors' claims was reasonable; fair notice and a reasonable opportunity to
27 respond was given); *SEC v. Elliot*, 953 F.2d 1560, 1571 (11th Cir. 1992) (summary
28

1 claim determinations upheld where claimants cannot demonstrate their rights would
2 have been better protected by a fuller proceeding).

3 **IV. THIS COURT HAS BROAD EQUITABLE DISCRETION TO**
4 **ESTABLISH PROCEDURES FOR THE ADMINISTRATION OF**
5 **CLAIMS**

6 It is well settled that district courts supervising federal equity receiverships
7 have broad discretion to adopt appropriate procedures to administer the assets of, and
8 claims asserted against, the receivership estate. *SEC v. Capital Consultants, LLC*,
9 397 F.3d 733, 738 (9th Cir. 2005); *SEC v. Universal Financial*, 760 F.2d 1034, 1037
10 (9th Cir. 1985). The Ninth Circuit recently explained:

11 A district court's power to supervise an equity receivership
12 and to determine the appropriate action to be taken in the
13 administration of the receivership is extremely broad. The
14 district court has broad powers and wide discretion to
15 determine the appropriate relief in an equity receivership.
16 The basis for this broad deference to the district court's
supervisory role in equity receiverships arises out of the
fact that most receiverships involve multiple parties and
complex transactions. A district court's decision
concerning the supervision of an equitable receivership is
reviewed for abuse of discretion.

17 *Capital Consultants*, 397 F.3d at 738 (citations omitted); see also *Commodities*
18 *Futures Trading Comm'n. v. Topworth Int'l, Ltd.*; 205 F.3d 1107, 1115 (9th Cir.
19 1999) ("This court affords 'broad deference' to the court's supervisory role, and 'we
20 generally uphold reasonable procedures instituted by the district court that serve th[e]
21 purpose' of orderly and efficient administration of the receivership for the benefit of
22 creditors."). Accordingly, this Court can approve the claims process set forth herein.

23 **V. CONCLUSION**

24 For the foregoing reasons, the Receiver respectfully requests that the Court
25 enter an Order:

26 1. Approving the Claim Form, Instructions, publication notice and Investor
27 Letter;

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- 1 2. Setting a claims Bar Date of 60 days after the Receiver first publishes
2 notice of the bar date; and,
3 3. Establishing summary claims procedures.
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5 Dated: April 20, 2018

ALLEN MATKINS LECK GAMBLE
MALLORY & NATSIS LLP

7 By: /s/ David R. Zaro

8 DAVID R. ZARO
9 Attorneys for Receiver
10 THOMAS A. SEAMAN
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EXHIBIT A

_____, 2018

{{INVESTOR NAME FIELD}}
{{INVESTOR ADDRESS FIELD}}
{{INVESTOR ADDRESS FIELD}}

NOTICE LETTER REGARDING INVESTOR CLAIM

You are receiving this letter as an investor in [Insert A].

Thomas A. Seaman ("Receiver") has been appointed as receiver by a United States District Court to take control of those companies. More information about the Receiver is available at the website [_____]. Among other things, the Receiver reviews claims by investors and creditors against the companies.

The purpose of this letter is to ask you to verify the amount of your investment in the companies. Below, the Receiver states what he believes you invested in the companies. If the information in this letter is correct, you should date and sign the letter in the space provided below and fax, mail or scan and email this fully executed letter to the Receiver on or before [_____, 2018.]

The Receiver's records show the following information about your investment:

Investor No.: _____ {{Field}}	Investment Entity: _____
Total Capital Contribution (Principal Investment) You Made: \$ _____	
Funds Previously Returned to You:	\$ _____

If the information above is not correct, then you may tell the Receiver the correct information by providing the correct information in the below fields. Importantly, you may not claim amounts that you may have paid as administrative fees or fees to a broker, investment adviser, agent or attorney. You may also not claim losses or damages based on unpaid interest or any profits or return on your investment that you may have expected or been promised, or any other damages arising from your investment. This letter and claim form is not asking you about any of those items, and you should not submit those other items to the Receiver at this time.

Please carefully review the information in the box above regarding your investment.

- **If the information is correct, please date and sign this letter in the space provide below.** The Receiver will use the information he already has.
- **If any of the information is not correct, you must provide corrected information in the below box and provide any back-up documentation that supports your corrected claim.**

Corrected Investment Information	
Investor No.: _____	Investment Entity: _____
Total Capital Contribution (Principal Investment) You Made: \$ _____ *	
* You must send the documents that support your corrected claim amount along with this letter.	

- **You must respond by returning this letter to the Receiver on or before _____.** You may use one the following methods for returning the letter to the Receiver:

Mail: [claims address] *or*

Facsimile: [fax number] *or*

Email: [claims email address]

If you believe you have other claims that are not related to your EB-5 investment, you must submit a "Claim Form (For All Claimants Except EB-5 Investors)" by the Claims Bar Date of _____, 2018. The Receiver believes that most EB-5 investors do not have such other claims. Examples of other types of claims are things like loans made to the companies or goods or services sold to the companies that were not paid. If you believe you may have other claims, you should talk to your attorney, if you have one..

The primary purpose of this letter is to verify that the Receiver has correct information about your investment in the companies and to inform you of the deadline for submitting your claim. This letter does not mean that you will or that you will not receive money from the Receiver, and it does not mean you will get the amounts stated in this letter or any other specific amount, if any.

If you have questions about this letter, you should talk to your attorney if you have one.

If you need help on how to submit information to the Receiver, such as using the claims internet site, you may email the Receiver's office: at _____. The Receiver cannot provide legal or tax advice to you about your investment or claims. If you have an attorney, please direct legal questions to your attorney.

[Signature]

Thomas A. Seaman
Court-Appointed Receiver

By signing my name below, I affirm that: the answers provided herein are truthful; I will supplement this form if any information later becomes inaccurate or incomplete; and that I understand that this form is submitted under penalty of perjury.

Signature: _____ **Dated** _____

Name: _____ **Title (if any)** _____

EXHIBIT B

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
SOUTHERN DIVISION
CASE NO. 8:16-cv-02257-CJC-DFM

SECURITIES AND EXCHANGE COMMISSION

vs.

EMILIO FRANCISCO; PDC CAPITAL GROUP, LLC; CAFFE PRIMO INTERNATIONAL, INC.; SAL ASSISTED LIVING, LP; SAL CARMICHAEL, LP; SAL CITRUS HEIGHTS, LP; SAL KERN CANYON, LP; SAL PHOENIX, LP; SAL WESTGATE, LP; SUMMERPLACE AT SARASOTA, LP; SUMMERPLACE AT CLEARWATER, LP; SUMMERPLACE AT CORRELL PALMS, LP; TRC TUCSON, LP; CLEAR CURRENTS WEST, LP; CAFFE PRIMO MANAGEMENT, LP; CAFFE PRIMO MANAGEMENT 102, LP; et al.

CLAIM FORM

(FOR ALL CLAIMANTS EXCEPT EB-5 INVESTORS)

THIS SPACE RESERVED FOR ADMINISTRATIVE USE ONLY

If you are an EB-5 investor, you should receive a "Notice Letter Regarding Investor Claim." Please use that notice, not this form, regarding your EB-5 investment.

Check this box if this claim amends a previously filed claim, dated _____

1. NAME AND ADDRESS OF CLAIMANT

Name _____

Address _____

City / State / Zip Code/ Country _____

If Claimant is an entity, name of contact person for Claimant: _____

Telephone No. of Claimant: _____

Email address of Claimant: _____

Last four digits of Tax I.D. No. or SSN: _____ Account or Reference No: _____

2. CLAIM

2a. Basis of Claim:

- Goods Sold
- Services Performed
- Money Loaned
- Taxes
- Wages, salaries or compensation (fill out below)
Unpaid compensation for services performed
from _____ to _____ (dates);
Title: _____
- Benefits (provide attach a detailed explanation)
- Investment (other than EB-5 Investor)
- Other (provide a detailed explanation on attached sheet)

2e. Identify any other party who you claim may be liable to you for repayment of your claim: _____

2f. If Legal Action Pending, Date Commenced, Court and Case No.: _____

If Court Judgment, Date Obtained: _____

2g. Check this box if you contend your claim is subject to a security interest. Attach copies of all security agreements and other documents that evidence the claim of secured status.

2h. Check this box if claim includes interest or other charges, such as attorney's fees, lost profits, or late fees in addition to the principal amount of the claim. Attach itemized statement of all interest or additional charges.

2b. Entity/Person with whom claim was incurred: _____

2c. Date Claim was Incurred: _____

2d. Total Claim as of January 5, 2017: \$ _____

3. If you checked "Investment" above, please provide the following additional information:

3a. Entity In or With Which You Claim To Have Invested: If more than one, provide a separate Claim Form for each entity) _____

3d. Total Amount of Claim as of January 5, 2017: \$ _____

Check this box if claim includes increases over principal invested, interest or other charges, such as attorneys' fees, damages, claims or late fees in addition to the principal amount of the claim. Attach itemized statement of all additional amounts, interest or charges.

3b. Nature of investment: _____

3c. Please attach a statement of date and amount of funds paid or value provided and any distributions or withdrawals (including interest, dividends, returns of principal or rent payments)

Check this box if you contend your claim is an interest in specific property. Attach statement identifying such property and describing your interest.

4. Supporting Documents: Attach copies of supporting documents, such as canceled checks (front and back), account ledgers, bank statements, promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, court judgments, mortgages, security agreements, and evidence of lien perfection. DO NOT SEND ORIGINAL DOCUMENTS. If the documents are not available, explain. If the

documents are voluminous, attach a summary.

5. Check this box if you have asserted any claims for damages related to your claim against third parties. If so please attach a brief description and state the amount of money recovered, if any.

6. **Date-Stamped Copy:** To receive an acknowledgement of the filing of your Claim Form, enclose a stamped, self-addressed envelope and an additional copy of this Claim Form.

7. **Signature:** Sign and print the name and title, if any, of the claimant or other person authorized to submit this claim (attach a copy of power of attorney, death certificate or other authorizing documents as needed).

By signing your name below, you are certifying that the information contained in this Claim Form and any back-up documentation provided is true and correct under penalty of perjury under the laws of the United States of America.

Signature: _____ Name: _____ Title (if any) _____

8. **Dated:** _____ **YOU MUST DATE AND SIGN THIS FORM FOR THIS CLAIM TO BE VALID**

ADDITIONAL INFORMATION

(ATTACH ADDITIONAL SHEETS IF NECESSARY)

Multiple horizontal lines for providing additional information.

INSTRUCTIONS FOR CLAIM FORM

(FOR ALL CLAIMANTS EXCEPT EB-5 INVESTORS)

UNITED STATES DISTRICT COURT Central District of California, Southern Division

SECURITIES AND EXCHANGE COMMISSION

vs.

EMILIO FRANCISCO; PDC CAPITAL GROUP, LLC; CAFFE PRIMO INTERNATIONAL, INC.; SAL ASSISTED LIVING, LP; SAL CARMICHAEL, LP; SAL CITRUS HEIGHTS, LP; SAL KERN CANYON, LP; SAL PHOENIX, LP; SAL WESTGATE, LP; SUMMERPLACE AT SARASOTA, LP; SUMMERPLACE AT CLEARWATER, LP; SUMMERPLACE AT CORRELL PALMS, LP; TRC TUCSON, LP; CLEAR CURRENTS WEST, LP; CAFFE PRIMO MANAGEMENT, LP; CAFFE PRIMO MANAGEMENT 102, LP; et al.

Case No. 8:16-CV-02257-CJC-DFM

GENERAL INFORMATION

Thomas A. Seaman is the Court-appointed Receiver in the above-captioned case. He is responsible for reviewing Claim Forms, and when appropriate, objecting to claims. The purpose of the Claim Form is to help the Receiver learn who you are, how much you are owed, the reason(s) you have a claim, and how the Receiver can contact you. **Unless otherwise ordered by the Court, if you fail to submit a Claim Form by _____, 2018, you will lose your right to receive any distributions from the Receiver or the receivership estate and your claim will be barred.**

1. **WHO MUST FILE A CLAIM FORM?** You must file a Claim Form if you believe you have any claim against:

EMILIO FRANCISCO; PDC CAPITAL GROUP, LLC; CAFFE PRIMO INTERNATIONAL, INC.; SAL ASSISTED LIVING, LP; SAL CARMICHAEL, LP; SAL CITRUS HEIGHTS, LP; SAL KERN CANYON, LP; SAL PHOENIX, LP; SAL WESTGATE, LP; SUMMERPLACE AT SARASOTA, LP; SUMMERPLACE AT CLEARWATER, LP; SUMMERPLACE AT CORRELL PALMS, LP; TRC TUCSON, LP; CLEAR CURRENTS WEST, LP; CAFFE PRIMO MANAGEMENT, LP; CAFFE PRIMO MANAGEMENT 102, LP; et al., or their respective subsidiaries and affiliates (collectively, the "Companies").

This includes any claim that you are owed money by any of the Companies; assert any interest in any of the Companies or in any of its assets or in any claim against any of the Companies or any entity under its control; or assert any claim of any sort against any of the Companies whether such claim is based upon contract, contribution, indemnity, reimbursement, subrogation theories or other legal or equitable theory. Claim forms must be submitted by claimants who were investors or creditors of any type (including employees) of the Companies. If you are both an investor and creditor, or are an investor in or creditor of more than one of the Companies or affiliates or subsidiaries, please file a separate Claim Form for each and every claim or interest you allege to have against them or any of them. If you are an EB-5 investor you should receive a Notice Letter Regarding Investor Claim from the Receiver to review and, if necessary pursuant to the instructions in such form, return; you should not use this general Claim Form for your EB-5 investment. **As to all other claimants, failure to submit a signed Claim Form and supporting documentation will result in the denial of your claim.**

2. **CONSENT TO JURISDICTION OF THE COURT AND THE CONSEQUENCES THEREOF.** If you submit a Claim Form in this case, you consent to the jurisdiction of United States District Court, Central District of California, Southern Division ("District Court") for all purposes, agree to be bound by its decisions, including a determination, among other things, as to the validity and amount of your claim against the above-captioned Companies, affiliates, subsidiaries or other persons or entities as identified in paragraph 1. In submitting a Claim Form, you agree to be bound by the actions of the District Court even if that means that a claim is limited or denied. By submitting a Claim Form, you further agree that your participation in any distribution of the receivership estate may exclude or prevent you from pursuing other remedies.

3. **HOW ARE CLAIMS SUBMITTED?** You can send a completed Claim Form, along with all supporting documentation, by mail to _____; by email to _____; or by facsimile to _____. Please submit only one claim form per claim. Please do **not** send or file claim forms with the Court.

4. **WHAT IS THE DEADLINE TO SUBMIT THIS CLAIM FORM?** The Claim Form must be **received** by _____, 2018. Please note that, unless the Court orders otherwise, any late filed claim may be denied in its entirety.

5. **SUPPORTING DOCUMENTS.** You must attach to the Claim Form copies of all documents that show that the Companies owe the debts or amounts claimed, or if the documents are too lengthy, a summary of those documents. If supporting documents are not available, you must attach an explanation of why they are not available. Failure to provide such documents may result in the denial of your claim.

6. **ADDITIONAL INFORMATION.** Additional information regarding filing the Claim Form, along with additional blank forms, can be obtained at _____[WEBSITE] or you may write to the [Receiver/EPIQ] at the following address: _____.

7. **TAX AND LEGAL ADVICE.** The Receiver and the claims administrator, including the help line, cannot provide tax or legal advice. You are encouraged to seek independent advice regarding tax and legal issues in regard to filing your claim.

INFORMATION ON COMPLETING THE CLAIM FORM

1. **Information about Claimant.** Complete this section giving the name, address, telephone number and email address of the Claimant who is asserting a claim against the Companies, and any account or reference number associated with such debt. If the Claimant is an entity, please provide contact information for an authorized representative.
2. **Claim information.**
 - 2a. Please indicate the basis of your claim in this section.
 - 2b. Entity/Person with whom claim was incurred: Please identify the person or entity you believe owes you the money.
 - 2c. **Date the Claim was Incurred.** Please indicate the date on which the amount you allege to be owed arose.
 - 2d. **Total Claim Amount as of January 5, 2017.** Please state your claim amount as of **January 5, 2017**.
 - 2e. **Other liable parties.** Please identify any other party you believe may be liable to you on the claim.
 - 2f. **Pending Legal Action.** If you have commenced a legal action against any of the above-captioned defendants, please provide the details of said legal action here. Please attach any additional pages of description and supporting documentation. Also, please provide any information regarding court judgments obtained against any of the above-captioned defendants.
 - 2g. **Security interest.** Please mark the applicable box if you contend your claim is subject to a security interest, and attach copies of all security agreements and other documents that evidence the claim of secured status.
 - 2h. **Claim above principal amount.** Mark the applicable box if your claim amount includes interest or other charges, such as attorneys' fees, loss profits, or late fees in addition to the principal amount of your claim, and attach an itemized statement of all such additional charges.Please feel free to provide additional pages of explanation or narrative discussing your claim.
3. **Investment information.**
 - 3a. Please indicate the name of the entity in which you claim to have invested funds, *other than* as an EB-5 investor making an EB-5 investment. If you are an EB-5 investor you should receive a Notice Letter Regarding Investor Claim from the Receiver to review and, if necessary pursuant to the instructions in such form, return; you should not use this general Claim Form for your EB-5 investment.
 - 3b. **Nature of the investment.** Please describe the nature of the investment (stock, limited liability company membership, etc.)
 - 3c. **Date and Amount of Funds Invested and Distributed/Withdrawn.** Please attached a statement of each time you made an investment with the applicable Company by indicating the investment date and the investment amount and of any distributions or withdrawals from the applicable Company by indicating the date and amount of each said distribution or withdrawal.
 - 3d. **Claim Amount.** Please state the amount you invested or paid to the Company or their predecessors, affiliates or subsidiaries as of **January 5, 2017**. If the stated amount includes increases over principal invested, such as interest, attorneys' fees, damages, claims or late fees, please mark the appropriate box below the claim amount and provide a detailed break-down of the claim. If you claim an interest in a specific property or asset, mark the appropriate box in this section and attach a statement identifying the property and interest.
4. **Supporting Documentation.** In addition to filing out the Claim Form, you should provide supporting documentation evidencing your claim. Supporting documentation may include documents such as stock certificates, promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, court judgments, mortgages, security agreements, or evidence of perfection of liens.
5. **Third Party Actions.** If you have asserted any claims for damages related to your claim against third parties, please check the box and attach a brief description and state the amount of money recovered, if any.
6. **Date-stamped Copy.** To receive an acknowledgement of the filing of your Claim Form, enclose an additional copy of the Claim Form, along with a self-addressed, stamped envelope when filing the original form.
7. **Signature. Sign the Claim Form and indicate your title, if applicable.**
8. **Date.** Insert the date on which you completed and signed the Claim Form.

EXHIBIT C

[NOTICE FOR PUBLICATION]

SEC vs. EMILIO FRANCISCO; PDC CAPITAL GROUP, LLC; CAFFE PRIMO INTERNATIONAL, INC.; SAL ASSISTED LIVING, LP; SAL CARMICHAEL, LP; SAL CITRUS HEIGHTS, LP; SAL KERN CANYON, LP; SAL PHOENIX, LP; SAL WESTGATE, LP; SUMMERPLACE AT SARASOTA, LP; SUMMERPLACE AT CLEARWATER, LP; SUMMERPLACE AT CORRELL PALMS, LP; TRC TUCSON, LP; CLEAR CURRENTS WEST, LP; CAFFE PRIMO MANAGEMENT, LP; CAFFE PRIMO MANAGEMENT 102, LP; et al.

Case No. 8:16-CV-02257-CJC-DFM

NOTICE OF CLAIMS BAR DATE

The Court has set _____, 2018 as the Claims Bar Date for the submission of claims in the Receivership in this action. Any person or entity who believes they have a claim of any type against PDC CAPITAL GROUP, LLC; CAFFE PRIMO INTERNATIONAL, INC.; SAL ASSISTED LIVING, LP; SAL CARMICHAEL, LP; SAL CITRUS HEIGHTS, LP; SAL KERN CANYON, LP; SAL PHOENIX, LP; SAL WESTGATE, LP; SUMMERPLACE AT SARASOTA, LP; SUMMERPLACE AT CLEARWATER, LP; SUMMERPLACE AT CORRELL PALMS, LP; TRC TUCSON, LP; CLEAR CURRENTS WEST, LP; CAFFE PRIMO MANAGEMENT, LP; CAFFE PRIMO MANAGEMENT 102, LP; et al., or their respective subsidiaries and affiliates (collectively, the "Companies"), must send a Claim Form to Thomas A. Seaman, Court-appointed Receiver, to submit a claim. Do not file your claim with the Court. Claim Forms must be received by the Receiver on or before June 29, 2018 at 5:00 PM P.S.T. or you will lose your right to receive any distribution from the Receivership Estate and your claim will be forever barred. Additional information and Claim Forms can be obtained from [WEBSITE ADDRESS] or from the Receiver at [PHYSICAL ADDRESS].