

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

Brown et al. v. Price, et al., Case No. 3:17-CV-00869-HE (U.S. District Court, District of Oregon)

PLEASE READ THIS NOTICE CAREFULLY. IF YOU ARE A MEMBER OF THE SETTLEMENT CLASS YOU MAY BE ENTITLED TO A CASH PAYMENT FROM A CLASS ACTION SETTLEMENT. THIS NOTICE EXPLAINS YOUR RIGHTS AND OPTIONS AND THE DEADLINES TO EXERCISE THEM.

For more information, visit www.scgpagrecovery.com.

This is a court-authorized notice of a proposed class action settlement. This is not a solicitation from a lawyer and is not a lawsuit against you.

WHAT IS THIS LAWSUIT ABOUT?

Plaintiffs purchased Aequitas Investments from investment adviser representatives at Strategic Capital Group (“SCG”) and Private Advisory Group (“PAG”). The Plaintiffs allege that they hired PAG or SCG and their representatives to provide objective investment advice. Plaintiffs allege that the defendants acted wrongfully in offering and selling the Aequitas Investments by failing to adequately disclose the risks of the investments and failing to disclose the defendants’ relationship with Aequitas. Plaintiffs filed a lawsuit against control persons and investment advisor representatives of SCG and PAG, and RP Capital Group, which plaintiffs allege assisted in the Aequitas sales.

Defendants vehemently deny each and all of the material allegations made against them, and believe that they have valid defenses against every alleged claim. The defendants enter into this agreement to avoid the expense and inconvenience of litigation.

WHO IS A MEMBER OF THE SETTLEMENT CLASS?

You are a member of the Settlement Class if you purchased or renewed and continue to hold Aequitas Investments when you were a client of SCG, PAG or RP Capital, LLC and made your purchase or renewal upon the advice or recommendation of SCG, PAG or RP Capital. The Class does not include the defendants or their respective managers, members, officers, directors and/or employees. The Class also does not include any of the Aequitas affiliated companies, and their officers, directors, board members, advisors, agents, employees, and affiliates, and the immediate family members of each of them.

If you have any questions about whether you are a member of the Settlement Class, you may contact the Claims Administrator toll-free at 1-866-831-0576. If you are not a member of the Settlement Class you are not entitled to submit a claim.

WHY IS THIS A CLASS ACTION?

A class action is a lawsuit in which one or more persons called “Class Representatives” sue on behalf of people who have similar claims. All of these people together are a “Settlement Class” or “Settlement Class Members.” The settlement, if finally approved by the Court, resolves the issues for all Settlement Class Members. The case was filed as a class action so that all persons who invested in Aequitas Investments through PAG, SCG or RP Capital are treated in the same manner. The court-appointed Aequitas Receiver, whose approval was needed to complete the settlement, required that no investors receive preferential treatment. Also, the defendants who are making the settlement payment have required as a condition of the settlement that all investor claims be resolved in a single class action case.

WHY IS THERE A SETTLEMENT?

To resolve this matter without the expense, delay, and uncertainties of a lawsuit, the Parties have reached a settlement, which resolves all claims against the settling parties. The Plaintiffs have agreed to settle the case because the amount of losses from Aequitas Investments greatly exceed any assets or insurance that the defendants would have to pay in a judgment if this case proceeded to trial and the plaintiffs prevailed. The Plaintiffs believe that if the case does not settle, then the assets and insurance money available to satisfy a judgment will be substantially reduced or exhausted from the payment of defendants' attorney fees. The Plaintiffs have also agreed to settle the case so that all Aequitas investors who purchased through SCG, PAG or RP Capital are treated equally.

The court has already preliminarily approved the settlement. Nevertheless, because the settlement of a class action determines the rights of all members of the class, the court overseeing this lawsuit must give final approval to the settlement before it can be effective. The court has certified the Settlement Class, so that members of the Settlement Class can be given this notice and the opportunity to oppose or approve of the settlement. If the court does not give final approval to the settlement, or if it is terminated, the settlement will be void, and the lawsuit will proceed as if there had been no settlement and no certification of the Settlement Class. If the settlement is approved, and you are a Class Member, then you will receive a check for your share of the settlement amount.

WHAT ARE MY OPTIONS?

If you agree with the settlement and wish to participate in the distribution of the settlement proceeds, you do not need to do anything. If the court grants final approval of the settlement, then you will receive a check in the mail for your proportionate share of the settlement.

You have the right to object to the settlement. If you wish to do so, you must submit your objection in writing to the Clerk of the Court of the United States District Court for the District of Oregon, at 1000 SW 3rd Avenue, Portland, OR 97204. The objection must be received by the Court no later than September 29, 2017. You must also send a copy of your objection to each of the following:

Class Counsel—Robert S. Banks, Jr., Samuels Yoelin Kantor, LLP, 111 SW Fifth Avenue, Suite 3800, Portland, OR 97204

Counsel for RP Capital and others— Peter Ehrlichman and Nathan Alexander, Dorsey & Whitney, 701 5th Ave #6100, Seattle, WA 98104

Counsel for Bean Holdings and others --- Troy Romero, Romero Park, 155 108th Ave NE #202, Bellevue, WA 98004

Any objection to the proposed settlement must reference *Brown v. Price*, Case No. 3:17-CV-00869, and include your full name, address, telephone number and email address (if you have one) and must include all grounds for the objection with factual and legal support for the stated objection. If you hire an attorney in connection with making an objection, that attorney must also file with the court a notice of appearance by no later than the objection deadline of September 29, 2017. If you do hire your own attorney, you will be solely responsible for payment of any fees and expenses the attorney incurs on your behalf.

If you object to the proposed settlement, you may but are not required to appear at the Final Approval Hearing, to be held on October 16, 2017 at 2:00 p.m. before The Honorable Marco Hernandez in Courtroom 14B of the United States District Court, at 1000 SW 3rd Avenue, Portland, OR, in person or through counsel to state why you believe the proposed settlement should not be approved as fair, reasonable, and adequate. Attendance at the hearing is not necessary; however, persons wishing to have their objections heard orally are required to indicate in their written objection their intention to appear at the hearing on their own behalf or through counsel and to identify the names of any witnesses they intend to call to testify at the Final Approval Hearing, as well as to identify any exhibits they intend to introduce at the Final Approval Hearing.

WHAT ARE THE TERMS OF THE SETTLEMENT?

The total proposed settlement amount to be paid is \$6,100,000.00. Prior to reaching the settlement, the counsel for the Plaintiffs required the settling defendants to provide sworn financial statements disclosing the assets and liabilities of the individual defendants, and to provide copies of any insurance policies that might provide coverage for the claims. Plaintiffs' counsel retained independent asset search firms to perform independent asset searches on the settling defendants. Based upon the information available to the plaintiffs, Plaintiffs' Counsel state that they are not aware of any substantial additional assets available to satisfy a judgment or pay a settlement.

The settlement proceeds will be paid to a Claims Administrator, who will issue a check to each Class Member based upon their Aequitas Investment losses suffered from purchases made through PAG, SCG, or RP Capital. The Claims Administrator will determine the amount of each Class Member's loss based upon the amount of the Aequitas Investment, minus any dividends or interest received. That amount will be the Class Member's Net Loss. Based upon information available to the Claims Administrator from the records of Aequitas, you will receive notice of your Net Loss from the Claims Administrator. If you agree with that number, you need not take any further action if you do not object to the proposed settlement. If you believe there was an error in calculating your Net Loss, then you may write to the Claims Administrator enclosing copies of documents showing your amount of investment, and, if applicable, the amount of each distribution you received on your investment and the Claims Administrator will review your submission and make any necessary adjustment.

In making the payments, the defendants deny that they violated any laws or have any liability to the plaintiffs.

The Claims Administrator will pay each Class Member on a proportional basis calculated by determining each person's Net Loss as a percentage of all Class Member Net Losses. Additionally, Plaintiffs' attorneys (listed below) will ask the court to award them attorneys' fees and costs of up to 25% of the Settlement Fund plus reimbursement of their costs for the substantial time, expense and effort expended in investigating the facts, litigating the case and negotiating the settlement.

If the settlement is approved as requested by the Plaintiffs, you will not have the right to bring a separate case against any of the settling parties. If the settlement is approved, the court will issue an order that no other claims may be brought against the settling parties involving Aequitas Investments. However, you will continue to own your Aequitas Investment, and your rights to participate in other proceedings not involving the settling parties, including any distributions that might be made by the Aequitas Receiver or any other lawsuits against parties who are not being released in this lawsuit, will continue, except that you will likely have to account for the settlement distribution you receive in this case.

If the settlement is approved, you will receive a check as soon as possible after the court's approval order, approximately 45-60 days after the order is signed.

CLASS COUNSEL

The court has approved the following attorneys to represent the Settlement Class. You will not be charged for these lawyers. If you want to be represented by your own attorney, you may hire one at your own expense.

Robert S. Banks, Jr.
Samuels Yoelin Kantor, LLP
111 SW Fifth Avenue, Suite 3800
Portland, Oregon 97204

Lawrence R. Cock
Cable Langenbach Kinerk & Bauer, LLP
Suite 3500, 1000 Second Avenue Building
Seattle, Washington 98104

ADDITIONAL INFORMATION

This notice is only a summary of the proposed settlement. More details are included in the Settlement Agreements and other papers filed by the parties with the court. They can be viewed at www.scgpagerecovery.com. In addition, you may call the Claims Administrator at 1-866-831-0576 or Class Counsel at (503) 226-2966.

By Order of The Honorable Marco Hernandez
United States District Court Judge
District of Oregon, Portland Division.