

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF OREGON

Leon Brown, Kirk Clothier, Nancy Gilbert, Rollin Chew, Edwin L. Chew Family Trust, Bernard Gutow as Trustee of the Gutow Family Trust dtd 10/28/1991, all individually and on behalf of all others similarly situated,

Plaintiffs,

vs.

Norman Gary Price and Christina A. Price;
Ronald J. Robertson and Kathryn Robertson;
RP Capital, LLC; Douglas R. Bean and Megan

Susanne Bean; S. Christopher Bean and Jodi J. Bean; Bean Holdings, LLC; Jonathan Bishopp and Monica Bishopp; Timothy J. Feehan, Jr. and Kimberly A. Feehan; Strategic Capital Alternatives LLC; and SCA Holdings LLC,

Defendants.

NO. 3:17-cv-00869-HZ

**ORDER DETERMINING THAT
CLASS ACTION MAY BE
MAINTAINED PURSUANT TO
RULES 23(a) and 23(b)(1) ,
CERTIFYING CLASS,
PRELIMINARILY APPROVING
SETTLEMENT, APPROVING
FORM OF NOTICE AND
SETTING FAIRNESS HEARING**

The Court has considered Plaintiffs' Unopposed Motions For Order Determining That Class Action May Be Maintained Pursuant To Rules 23(a) and 23(b)(1)(B), Certifying A Class,

Preliminarily Approving Settlement, Approving Form of Notice and Setting Fairness Hearing.

Upon review and consideration of the motions and supporting papers, and the fact that the defendants and the intervenors do not oppose the motion, the Court hereby FINDS AND ORDERS THAT:

1. Pursuant to Rule 23(a) of the Federal Rules of Civil Procedure, the Court determines that this action may be maintained as a class action. Plaintiffs have satisfied the requirements of Rule 23(a)(1). The class is so numerous that joinder of all members is impracticable. There are more than 300 persons who come within the proposed class definition, representing potential claims of more than \$100 million.

2. Plaintiffs have also satisfied the prerequisites of Rule 23(b)(1)(B) of the Federal Rules of Civil Procedure. Adjudications with respect to individual members of the class would as a practical matter be dispositive of the interests of the other members not parties to the adjudication or substantially impair or impede their ability to protect their interests. Among other factors, the amounts of the claims of the class exceed by many times the liability insurance that might be available to cover the claims of the plaintiff class and the assets of the defendants subject to attachment or levy or otherwise available to pay a judgment. If the claims were to proceed individually, any successful plaintiffs whose claims were first decided would as a practical matter defeat the claims of later plaintiffs because there would be no assets from which to recover a judgment.

3. The Court approves of the class definition proposed by plaintiffs as all persons who purchased or renewed and continue to hold Aequitas Investments, and made such purchases or renewals while clients of Strategic Capital Group, LLC, Private Advisory Group LLC, or RP

Capital Group, LLC. Excluded from the class are: the Defendants and their immediate family members; Antonio Ramirez and Wendy Ramirez; Aaron Maurer and Laura Maurer; Kenneth Peterson and Patricia Peterson; and officers, directors, and employees of any Aequitas Entity as defined by the court in *SEC v. Aequitas Management, LLC*, Case No. 3:16-cv-004380PK Document 30, Exhibit A.

4. The Court designates Robert S. Banks, Jr. and Lawrence R. Cock as Co-Lead Counsel for the Plaintiff Class and finds that they will adequately and fairly represent the class. The Court finds that the plaintiffs identified in the caption have no conflicts of interest, will adequately represent the class, and appoints them as class representatives.

5. The parties have reached a proposed settlement with all defendants and others which is described in two settlement agreements which have been filed with the Court. *See* Docket Nos. 61 and 62. Plaintiffs have filed a Motion For Preliminary Approval of Stipulation of Settlement. Based on the findings set forth in paragraphs 7 through 9 below, the Court GRANTS that motion.

6. Except for terms defined herein, the Court adopts and incorporates the definitions in the two Stipulation of Settlement agreements for purposes of this Order.

7. The settlement was reached after all the Settling Parties had settlement discussions lasting over five months, including a two day mediation. All the Settling Parties were capably represented by experienced counsel, and the settlement appears to be the product of serious and informed negotiations. The settlement falls within the range of possible approval and merits further consideration.

8. The Court preliminarily finds that the settlement is fair, reasonable, adequate, and in the best interests of the plaintiffs, and the proposed Plaintiff Class. Pursuant to Rule 23, the Court does hereby preliminarily approve each Stipulation of Settlement and the settlements set forth therein (Docket Nos 61 and 62), including the terms and conditions for settlement, full and final release and dismissal with prejudice of the Released Claims, as provided for in each Stipulation of Settlement. The Court finds that, prior to reaching the proposed settlement; the parties fully evaluated the risks and costs of The Litigation.

9. In preliminarily evaluating the fairness of the settlement, the Court considered that the plaintiffs required that the Settling Parties disclose all insurance policies that might provide coverage for the claims, and statements of assets and liabilities of the Settling Defendants, and that that the Settling Defendants voluntarily disclosed such information on a confidential basis. The parties have represented to the Court that the insurance policies that might provide coverage are “wasting” policies, and that if The Litigation is not settled, there will be less money available to satisfy any future settlement or judgment. The Court further finds based upon the representations of the Settling Parties, that a potential judgment for the Plaintiff Class would far exceed the assets available to satisfy a judgment from the available insurance and assets of the defendants.

10. The form and manner of proposed Notice To Aequitas Investors Of Strategic Capital Group, LLC, Private Advisory Group, LLC and RP Capital, LLC, filed as Exhibit B to plaintiffs’ motions, constitutes due and sufficient notice to all persons entitled to receive such notice for purposes of Rule 23(c)(2). The Notice shall be sent within fourteen days of this Order of Preliminary Approval. The court approves KCC, LLC serving as Claims Administrator.

11. The Court will hold a Settlement Hearing to consider whether to grant final approval to the Settlement and whether to grant any petition for fees and expenses (“Fee Petition”). The Settlement Hearing will be held on Monday, October 16, 2017, at 2:00 p.m. in Courtroom 14B of the United States District Court for the District of Oregon, 1000 SW 3rd Avenue, Portland, OR, before the Honorable Marco A. Hernandez.

12. Plaintiffs shall file a motion for final approval of the Settlement and Plaintiffs’ Counsel shall file any Fee Petition not later than Friday, September 15, 2017, 31 days prior to the date of the Settlement Hearing.


13. Any investor who purchased any Aequitas Investments from Strategic Capital Group, LLC, Private Advisory Group, LLC, RP Capital, LLC, or their investment advisors that wishes to object to the Settlement or the Fee Petition must do so by filing a written objection in accordance with the procedures detailed in the Notice, and serving a copy of the objection on both Plaintiffs’ Counsel and Defendants’ Counsel no later than Friday, September 29, 2017. Any response by any Settling Party to an objection to the Settlement or the Fees Petition must be filed with the Court no later than Friday, October 6, 2017.

14. If the Settlement is not approved by the Court, is terminated or shall not become effective for any reason, such termination shall be without prejudice to any party as to any matter of law or fact, as if the Stipulation of Settlement had not been made and had not been submitted to the Court, and neither the Stipulation of Settlement, any provision contained in the Stipulation of Settlement, any action undertaken pursuant thereto, nor the negotiation thereof by any party shall be deemed an admission or offered or received in evidence at any proceeding in the Litigation or any other action or proceeding; and further, the Settling Parties will be fully restored to their respective positions prior to entering into or agreeing to any terms of the

Settlement, including without limitation the Settlement Payment in full will be returned to the payor of same within ten days of the termination of settlement.

IT IS SO ORDERED.

Dated this 2 day of August, 2017.


The Honorable Marco A. Hernandez
United States District Judge