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Of Attorneys for Plaintiffs

IN THE UNITED STATES DISTRICT COURT OF THE STATE OF OREGON

DISTRICT OF OREGON

Portland Division

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

**DECLARATION OF MARKHAM
SHERWOOD REGARDING
MAILING OF THE NOTICE OF
PROPOSED CLASS ACTION
SETTLEMENT**

I, **MARKHAM SHERWOOD**, declare:

1. I am a Director of Class Action Services at Kurtzman Carson Consultants LLC (“KCC”). My business address is 3301 Kerner Boulevard, San Rafael, CA 94901. I am over 21 years of age and am not a party to this action. I have personal knowledge of the facts set forth herein and, if called as a witness, could and would testify competently thereto.

2. KCC was retained to serve as the Settlement Administrator pursuant to the Stipulation of Settlement preliminarily approved by this Court on August 2, 2017 (the “Settlement Agreement”) to, among other tasks, a) mail the Notice of Proposed Class Action Settlement (the “Notice”); b) respond to Class Member inquiries; c) facilitate payments by check to Class Members; and d) perform other duties as specified in the Settlement Agreement.

3. **CAFA Mailing:** In compliance with the Class Action Fairness Act (“CAFA”), 28 U.S.C Section 1715, KCC compiled a CD-ROM containing the following documents: the Class Action Complaint Jury Trial Demanded, the Joint Motion of Plaintiffs and Certain Defendants for Issuance of Temporary Restraining Order to Stay FINRA Arbitration Cases in Order to Preserve Settlement Funds for Benefit of Larger Investment Class, the [Proposed] Order Pursuant to FRCP 65(d) Granting Joint Motion of Plaintiffs and Certain Defendants for Issuance of Temporary Restraining Order to Stay FINRA Arbitration Cases in Order to Preserve Settlement Funds for Benefit of Larger Investment Class, the Declaration of Nathan T. Alexander, the Declaration of Roberts S. Banks, Jr. in Support of Joint Motion of Plaintiffs and Issuance of Temporary Restraining Order, the Intervenor’s Opposition to Joint Motion for Temporary Restraining Order, the Declaration of Jeremy Hyndman, the Joint Motion of Plaintiffs and Certain Defendants for Preliminary Injunction to Enjoin Various FINRA Arbitration Cases in Order to Preserve Settlement Funds for Benefit of Larger Investment Class, the Declaration of Ronald F. Greenspan in Support of Motion of Plaintiffs and Certain Defendants for Preliminary Injunction, the Declaration of Norman Gary Price in Support of Motion of Plaintiffs and Certain Defendants for Preliminary Injunction, the Intervenor’s Opposition to Joint Motion of Plaintiffs and Certain Defendants for Preliminary Injunction to Enjoin Various FINRA Arbitration Cases in Order to Preserve Settlement Funds for Benefit of

Larger Investment Class, the Joint Reply in Support of Motion for Preliminary Injunction to Stay FINRA Arbitration Cases, the Declaration of Lawrence R. Cock Re: Preliminary Injunction to Stay FINRA Arbitration Cases, the First Amended Class Action Complaint Jury Trial Demanded, the Opinion & Order, the 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 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, the Declaration of Robert S. Banks, Jr. in Support of Plaintiffs' Unopposed Motion for Order Determining that Class Action May Be Maintained, the Declaration of Lawrence R. Cock in Support of Plaintiffs' Motion for Order Determining that Class Action May Be Maintained, the Notice of Proposed Class Action Settlement, the Stipulation and Settlement and a cover letter (collectively, the "CAFA Notice Packet"). On August 11, 2017, KCC caused 122 CAFA Notice Packets to be mailed via Priority Mail from the U.S. Post Offices in San Rafael, CA to the U.S. Attorney General, the Attorneys General of each of the 50 States and the District of Columbia, the Attorneys General of the 5 recognized U.S. Territories, and the State Banking Departments for each of the 50 states, the District of Columbia and the recognized U.S. Territories, with copies sent to Plaintiffs' and Defendants' counsel.

4. As of the date of this declaration, KCC has received no response to the CAFA Notice Packet from any of the recipients identified in paragraph 4 above.

5. **The Class List.** On August 9, 2017, the Receiver for Defendants provided KCC with a list of 376 unique persons identified as the Class Member List, i.e. all persons who purchased or renewed and continue to hold Acqutias Investments while a client of SCG, PAG, or RP Capital and the purchase or renewal upon the advice or recommendation of SCG, PAG or RP Capital. KCC entered the Class Member List information into its proprietary database and prepared a data file for the initial mailing. Prior to mailing, KCC caused the addresses in the Class Member List to be updated using the National Change of Address database ("NCOA") maintained by the U.S. Postal Service.

6. **Mailed Notice.** On August 16, 2017, KCC mailed the Notice of Proposed Class Action Settlement (the “Notice”) via U.S. First Class Mail, postage prepaid to each of the 376 persons on the Class Member List for whom a valid mailing address was available. A sample of the Notice is attached hereto as Exhibit A.

7. As of September 8, 2017, two (2) Notices were returned by the United States Postal Service as undeliverable. Two (2) Notices were re-mailed based on updated addresses through address searches performed by KCC.

8. **Website.** On or before August 16, 2017, KCC also established a website (www.scgpagrecovery.com) dedicated to this settlement to provide additional information to the Class Members. Visitors of the website can download copies of the Notice, the Stipulation of Settlement, the Order Certifying Class, Preliminarily Approving Settlement, Approving Form of Notice and Setting Fairness Hearing, among other documents. The web site also contains contact information for KCC by Post Office Box and the toll-free number as listed in paragraph 9 below. The web address was set forth in the Notice. As of the date of this declaration the website has registered 1,189 total hits.

9. **Toll-Free Telephone Number.** On or before August 16, 2017, KCC established a toll-free telephone number, (866)-831-0576 dedicated to answering telephone inquiries from Class Members. As of the date of this declaration, KCC has received 13 calls to the toll-free telephone number.

10. **Supplemental Notice.** Pursuant to language set forth in the Notice, using financial information as received by KCC from the Receiver for Defendant, KCC mailed a supplemental notice (the “Loss Letter”) on September 8, 2017 informing Class Members of their Net Loss arising from their Acqitas investments, which equals the amount of their Acqitas Investments, minus any dividends or interest received. A true and correct copy of the Loss Letter is attached hereto as Exhibit B. Pursuant to instructions from class counsel Robert Banks, and subject to final approval by the Court, KCC intends to distribute the available settlement funds to each class member in an amount of which is to be determined by a fraction whose numerator is the class member’s Net Loss and whose denominator is the total common fund

available for distribution to the class.

11. **Objections.** The Notice informs Class Members that they have the opportunity to object to approval of the proposed settlement and that any objections must be filed with the Court and serve upon Plaintiff's Counsel and Defendants' Counsel postmarked no later than September 29, 2017. To date, KCC has received zero (0) objections to the Settlement.

12. **Settlement Administration Costs.** As of August 31, 2017, KCC has incurred costs in the administration of this proposed settlement in the amount of \$10,808.36. KCC currently anticipates that future costs will be incurred in the approximate amount between \$14,675.82 and \$19,075.82.

I declare under penalty of perjury pursuant to the laws of the United States that the foregoing is true and correct to the best of my knowledge, and that this declaration was executed this 12th day of September, 2017 at San Rafael, California.



Markham Sherwood

Exhibit A

Brown v. Price Settlement Claims Administrator
c/o KCC Class Action Services
P.O. Box 404000
Louisville, KY 40233-4000

PBW

«Barcode»

Postal Service: Please do not mark barcode

Claim#: PBW-«Claim8»-«CkDig»

«FirstName» «LastName»

«Name1»

«Addr1» «Addr2»

«City», «St» «Zip»-«Zip4»

«FProv» «FCountry» «FZip»

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.scgpagerecovery.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.

Exhibit B

Brown v. Price Settlement Claims Administrator
c/o KCC Class Action Services
P.O. Box 404000
Louisville, KY 40233-4000

PBW

«Barcode»

Postal Service: Please do not mark barcode

Claim#: PBW-«Claim8»-«CkDig»

«First1» «Last1»

«Addr1» «Addr2»

«City», «St» «Zip»

«Country»

September 8, 2017

Dear «FirstName» «LastName»:

Recently, you were mailed a Notice about a benefit you may be due as a result of the *Brown et al. v. Price, et al.* litigation in the United States District Court of Oregon. The Notice explained the settlement and benefits to which you may be entitled. A copy of the Notice is available on the settlement website at www.scgpagrecovery.com.

Based on the records provided from Aequitas Investments (“Aequitas”), your investments in Aequitas from investment adviser representatives at Strategic Capital Group, Private Advisory Group or RP Capital, LLC minus any dividends or interest received, calculated to a Net Loss of \$«NetLoss». This Net Loss amount will be used to calculate your proportionate share of the Net Settlement Fund.

If you agree with this Net Loss, 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 at the address above, postmarked by September 29, 2017 enclosing copies of documents showing your amount of investment, and, if applicable, the amount of each distribution you received on your investment. The Claims Administrator will review your submission and make any necessary adjustment.

If you have any questions, or for more information, please visit the settlement website at www.scgpagrecovery.com, email info@scgpagrecovery.com or call 1-866-831-0576.

Sincerely,

Brown v. Price Settlement Claims Administrator